



ACER INCORPORATED ANNUAL REPORT

TSE 2353

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Reuse, recycle for a sustainable future
*The cover design shows a closeup image of recycled plastic.

1. Name, Title and Contact Details of Company's Spokespersons

Principal	Meggy Chen	CFO	+886-2-2696-1234	Meggy.Chen@acer.com
Deputy	Wayne Chang	Manager	+886-2-2719-5000	Wayne.Chang@acer.com

2. Address and Telephone Numbers of Company's Headquarter and Branches

Office	Address	Tel
Acer Inc.	8F., No.88, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan	+886-2-2696-1234
Acer Inc. (Shareholder Services)	7F.-5, No.369, Fuxing N. Rd., Songshan Dist., Taipei City 105, Taiwan	+886-2-2719-5000
Acer Inc. (Hsinchu Branch)	No. 3, Ln. 194, Sec. 2, Guangfu Rd., East Dist., Hsinchu City 300, Taiwan	+886-3-516-9009
Acer Inc. (Taichung Branch)	3F., No.371, Sec. 1, Wenxin Rd., Nantun Dist., Taichung City 408, Taiwan	+886-4-2250-3355
Acer Inc. (Kaohsiung Branch)	4F.-6, No.38, Xinguang Rd., Lingya Dist., Kaohsiung City 802, Taiwan	+886-7-338-8386
Acer Inc. (Shipping & Warehouse Management Center)	No.28, Neixin Rd., Luzhu Dist., Taoyuan City 338, Taiwan	+886-3-324-5100

3. Address and Contact Details of Acer Shareholders' Services

Address: 7F.-5, No.369, Fuxing N. Rd., Songshan Dist., Taipei City 105, Taiwan
Tel: +886-2-2719-5000
E-mail: stock.affairs@acer.com

4. Address and Contact Details of Auditing CPAs in the Most Recent Year

Name: Wei-Ming Shih and Ching-Wen Kao at KPMG
Address: 68F., No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan
Tel: +886-2-8101-6666
Website: www.kpmg.com.tw

5. Overseas Securities Exchange

Listed Market for GDRs: London Stock Exchange Market
 For further information, please refer to Website: www.Londonstockexchange.com

6. Acer Group Website: www.acer-group.com

Sustainability Goals and Milestones

2022

- A carbon footprint tool was introduced to complete the carbon report of Acer's commercial business products and ChromeOS devices
- Partnered with logistics providers to reduce standard sea containers emissions thanks to biofuel on various routes
- 44% of electricity consumed from renewable source

2023

- Signed a long-term corporate power purchase agreement (CPPA) on renewable energy, which will provide about 10 million kilowatt-hours of wind power annually
- Expanded its commitment in energy storage and accelerated the adoption of renewable energy sources such as solar and wind power

2025

- To use 20-30% post-consumer recycled (PCR) plastic in its computers and displays

2024

- Carbon reduction target validated by the Science Based Target initiative (SBTi).
- Debuted carbon-neutral laptop with the Aspire Vero 16

2030

- To cut Scope 1 and 2 carbon emissions by 50%, compared to 2019
- To cut Scope 3 carbon emissions by 35%, compared to 2020

2035

- To reach the goal of 100% renewable electricity usage

2050

- To achieve net-zero emissions

Sustainability Awards



A constituent of the MSCI ESG Leaders Indexes for the 10th consecutive year



Garnered the best rating of "AAA" in its category in the MSCI ESG Ratings

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Listed on the Dow Jones Sustainability Emerging Markets Index for the 10th consecutive year



Awarded Platinum medal for EcoVadis' Sustainability Ratings for the second year, representing the top 1% of rated companies



Named in the S&P Global Sustainability Yearbook 2024 for sustainable business practices and listed in the Top 5% category



FTSE4Good

Listed on the FTSE4Good Emerging Index for the eighth consecutive year



Listed on the subcategory FTSE4Good TIP Taiwan ESG Index, supported by the Taiwan Stock Exchange, for the sixth year



Sustainability Report was awarded Platinum medal for Taiwan Corporate Sustainability Awards (TCSA)



Named among Forbes' World's Best Employers for the fourth straight year



Received 2023 Family Friendly Workplace Award by Commonwealth Education Media and Publishing



Received 2023 Excellence in Corporate Social Responsibility Award by Commonwealth Magazine

ebii



**Rethink. Reimagine.
Revolutionize.**



Aspire Vero 16



epeat gold



2560x1600
WQXGA



Touchscreen
Display



**Acer Chromebook
Plus 515**



**Acer Chromebook
Plus 514**



PREDATOR
TRITON 17X

PREDATOR
HELIOS 3D 15
SPATIALLABS™ EDITION



PREDATOR
CONNECT X7
5G CPE



PREDATOR
Z57 MINILED



DESIGN AWARDS

Red Dot Awards for Design Innovation

Predator Triton 17 X, Predator Helios Neo 16, and Acer Chromebook 516 GE, Acer Swift 14, and Acer TravelMate P6 14 laptops, Acer Vero CB3 series monitor, Acer Vero PL2520i laser projector, Acer Aspire S all-in-one PC, Acer Connect Enduro M3 5G mobile Wi-Fi router, and the Acer Halo Swing smart speaker round up the winning entries chosen by the Red Dot awards body.



reddot winner 2023

Red Dot Brand & Communication Design Awards

The 2023 winning line-up features a mix of design projects under multiple categories such as advertising, film & animation, product packaging, website, and digital solutions, while the “Acer Day: #MakeYourGreenMark” advertising campaign, Acer Earth Mission app, eBiiGO companion app and multiple projects were awarded.



reddot winner 2023
digital solutions



reddot winner 2023
interface design



reddot winner 2023
packaging design



reddot winner 2023
web design

iF Design Awards

The 2023 winning entries feature the new Predator Helios 3D 15 SpatialLabs™ Edition gaming laptop, the eco-friendly packaging of the Aspire Vero National Geographic Edition laptop, and the portable Acer Connect Enduro M3 5G Mobile Wi-Fi router across the “Gaming Hardware/AR/VR”, “Consumer Products” and “Telecommunication” categories.



Good Design Awards

Awards were handed to the Acer eBii e-bike, Acer TravelMate P6 14 business laptop, Predator Triton 17 X gaming laptop, Acer Aspire S Series all-in-one desktop, Acer Revo Box mini-PC, and the Acer Connect Enduro M3 Mobile Wi-Fi.



Webby Awards

The Predator's "It Lies Within" campaign website won the Webby Winner Award and the People's Voice Winner of 2023, sweeping the highly competitive “Websites and Mobile Sites” category.



Taiwan Excellence Award

Predator Helios 3D 15 SpatialLabs Edition won the “Silver Award”, while the Predator Orion X desktop computer, Predator X45 gaming monitor, Acer eBii e-bike and eco-conscious Acerpure Pro Vero air purifier were all awarded.



DISCLAIMER

This is a translation of the 2023 Annual Report of Acer Incorporated (the “Company”). The translation is intended for reference only and nothing else, the Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the Annual Report shall govern any and all matters related to the interpretation of the subject matter stated herein.

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Business Report to Shareholders



Business Report to Shareholders

Optimizing Operations and Capturing New Opportunities ^[1]

Acer has seen its computer business move back on the right track with inventory under control around the middle of 2023. New usage models based on generative AI started to emerge, our strategy to expand multiple business engines continued to gain momentum, and considerable progress was made in our sustainability efforts for the environment.

Our fiscal 2023 results were: consolidated revenues of NT\$241.31 billion, operating income of NT\$4.23 billion, net income of NT\$4.93 billion, and EPS of NT\$1.64. Businesses other than computers and displays contributed around 27% of total group revenues, while three subsidiaries went public to reach a total of 12 public subsidiaries by the end of 2023.

In the realm of artificial intelligence (AI), we are investing in three areas: enhancing data quality such as data analytics, data cleanup and multiple site data backup; optimizing learning models such as medical image analysis for AI medical solutions; and application usages such as number or image recognition used in parking applications for smart cities. With an AI team at scale, Acer is already playing some essential roles in AI.

Making ESG a Sustainable Part of Acer and Investing in Smart Solutions

We announced our latest sustainability concepts and developments alongside COP28, the United Nations Climate Change Conference in Dubai, to attract global climate campaigners and leaders to visit Acer and learn what we are doing and the concepts we have for a better future. We also welcomed external parties' oversight to help enhance our commitments and actions. Four lifestyle concepts proposed under the theme of 'conscious technology' designed and made with consideration for the future were exhibited – working, learning, moving, living – with products, services, and solutions by Acer and our subsidiaries that provide people with smart, low carbon, and conscious living.

Acer is accelerating its efforts in response to the climate urgency, as well as motivating and seizing new business opportunities. We have steadily expanded our Vero portfolio of eco-conscious products – including our first carbon-neutral laptop. Our investment in smart solutions include smart cities, smart lighting, smart parking and e-mobility, and smart medical. Investing in and using these solutions will help carbon reduction, save energy, and increase productivity. And we have started using biofuel in product transportation and are offering energy storage solutions across the supply chain, from household to industrial use, manufacturing to application, and front-of to behind-the-meter solutions to contribute to the energy transition.

Recognition of Our ESG Initiatives

Acer's "Earthion" sustainability platform that unites employees and supply chain partners to tackle environmental challenges continues to gain in strength. We are committed to sourcing 100% renewable electricity by 2035 and have pledged to achieve net-zero emissions by 2050. As one of the world's top ICT companies, Acer seeks to amplify positive impacts on the environment through united actions; ahead of our target schedule, 76% of our critical suppliers have committed to 100% renewable electricity or set science-based carbon reduction targets. We will continue working toward the goal to use 20-30% post-consumer recycled plastic in its computers and monitors by 2025, for which 18.8% use was achieved in 2023.

Acer's focus on environmental, social and governance (ESG) through transparent reporting and initiatives under our Earthion mission has gained increasing global recognition and are instrumental in our inclusion in worldwide sustainability indices throughout 2023.

Acer has been recognized and won major industry accolades. Acer was listed in the Top 5% of companies in the S&P Global Sustainability Yearbook 2023 for sustainable business practices. For the 10th consecutive year, the company was listed in both the MSCI ESG Leaders Indexes, garnering the best rating of “AAA” in its category since 2021, and in the Dow Jones Sustainability Indices Emerging Markets Index. Furthermore, it was named among Forbes World’s Best Employers for the fourth consecutive year. For the second year, we were awarded an Ecovadis Platinum Medal that represents the sustainability rating’s highest recognition representing the top 1% of rated companies.

Remain Vigilant and Flexible to Respond to Potential Risks ^[2]

Acer will observe geopolitical and socioeconomic situations, inflation, and currency fluctuations to dynamically adjust business and operation strategies, including foreign exchange hedging to minimize risks, and optimize inventory levels. To counteract cyber security threats in the realms of AI and cloud services, Acer will continue to strengthen its global information security and comply with international laws and regulations on information privacy and security.

Our strategy to establish multiple business engines beyond existing boundaries, while emphasizing on sustainability, has provided Acer with more opportunities in the evolving industry dynamics and enhance our corporate resilience. Once again, we thank all our customers, shareholders, and employees for your support in 2023, and we look forward to an exciting future ahead.

Chairman of the Board

Jason Chen

Corporate Officers

Jason Chen

Victor Chien

Meggy Chen

Accounting Officer

Sophia Chen

^[1] Annual business plan, future development strategy and business policy

^[2] Impact from the macro market, governmental regulations, and business environment

Company In General

2

2.1 Date of Founding : August 1, 1976

2.2 Brief Account of the Company

1976 – 1986

Commercialized microprocessor technology

1987 – 2000

Created the Acer brand name and went global

2001 – 2007

Transformed from manufacturing to a marketing and sales company

2008 – 2013

Enhanced worldwide presence with a multi-brand strategy

2014 – 2019

Transformed into a “hardware + software + services” company

2020 – Present

Evolving with the industry and changing lifestyles, and realizing a sustainable vision

1976

- Founded under the name “Multitech” with NT\$1 million (US\$25,000) in capital, focusing on trade, product design, and consultancy in the use of microprocessor technologies. (Aug. 1, 1976).

1978

- Established the Microprocessor Training Centre, training 3,000 engineers for Taiwan's information industry

1979

- Expanded the business to central and southern Taiwan.
- Designed Taiwan's first mass-produced computer for export.

1980

- Designed the Dragon Computer Terminal, the Chinese language adaptation for computers.

1981

- Established its manufacturing operations at the Hsinchu Science-based Industrial Park in Taiwan.
- Debuted the MicroProfessor-I as the company's first branded product.

1982

- Unveiled the MicroProfessor-II as Taiwan's first 8-bit home computer.

1984

- First company to promote 16-bit PC products in Taiwan.
- Established Acer Peripherals, Inc. (now BenQ Corp.).

1985

- Founded AcerLand, Taiwan's first and largest franchised computer retail chain.

1986

- Beat IBM to offer 32-bit PCs.

1987

- Created the “Acer” name.

1988

- Completed Acer Inc. initial public offering (April 1988).

1989

- Formed the TI-Acer DRAM joint venture with Texas Instruments.

1990

- Launched Acer's first notebook.
- Acquired Altos Computer Systems, a manufacturer of multi-user and networked systems for commercial markets.

1991

- Introduced ChipUp™ technology – world's first 386-to-486 single-chip CPU upgrade solution.

1992

- Co-founder Stan Shih introduced the Smiling Curve concept.

1995

- The popular Aspire multimedia PC brought Acer closer to the consumer electronics market.

1998

- As official IT Sponsor of the 13th Asian Games in Bangkok, Acer introduced the world's first PC-based management system for a major international sporting event.

2000

- As part of its second re-engineering to transform into a marketing and sales company, Acer split off the manufacturing business unit to create Wistron Corp.

2001

- Introduced the MegaMicro e-Enabling services, an e-business model that integrates IT equipment, network, management platforms, and application software.

2002

- Inaugurated the Product Value Lab to enhance Acer's customer-centric focus in research and design.
- TravelMate C100 was the first convertible Tablet PC available in the worldwide market with pen input.

2004

- Acer Co-founder Stan Shih retired from the Group.

2005

- J.T. Wang assumed the position of Chairman and CEO, while Gianfranco Lanci stepped into the role of Corporate President.
- Launched Ferrari 4000, the first carbon-fiber notebook available in the worldwide market.
- Became the No. 1 brand in EMEA for notebooks.

2006

- Became a Sponsor of Scuderia Ferrari.

2007

- Completed the merger of Gateway, Inc.

2008

- Announced the acquisition of E-ten and plan to enter the smart handheld market.
- Acquired Packard Bell Inc. through the takeover of Gateway Inc.
- Launched the Aspire One, Acer's first netbook.

2009

- Launched the Aspire Timeline portfolio – Acer's first thin-and-light notebooks with all-day battery life.
- BusinessWeek named Acer among the “10 Hottest Tech Companies of 2009.”
- Launched the Liquid line of smartphones.
- Ranked as the world No. 2 company in Total PCs.

2010

- Provided and managed the computing facilities for Vancouver 2010 Olympic Winter Games.

2011

- Acquired US-based iGware, investing in cloud technology.
- Debuted the first Ultrabook™ with the Aspire S3.
- Jim Wong assumed the role of Corporate President.
- Launched the ICONIA tablet PCs.

2012

- Supplied all computing equipment for the London 2012 Olympic Games and earned high appraisals from the assembly.

2013

- Elected Stan Shih as company Chairman and interim Corporate President.
- Announced Build Your Own Cloud (BYOC™) and the transition to a “hardware + software + services” company.

2014

- Appointed Jason Chen as Corporate President and CEO (Jan. 1, 2014).
- Debuted the company's first wearable device, the Liquid Leap.
- George Huang succeeded Stan Shih as Chairman; Acer's Board invited Stan Shih to become Honorary Chairman.
- Debuted on the Dow Jones Sustainability Emerging Markets Index and listed on the MSCI Global Sustainability Indexes for environmental, social and governance.

2015

- Sponsored Taiwan's First IAAF certified marathon, Wan Jin Shi, providing the runner tracking service.
- Held its inaugural "next@acer" global press conference in New York.
- Announced the availability of the Predator gaming product line.
- Acquired GPS cycling computer brand, Xplova, to expand its reach in the sports industry.
- Its subsidiary, MPS Energy (now Acer Mobile Power System Inc.), and Studio X-Gen announced a new electric all-terrain vehicle.

2016

- Announced strategic partnership with GrandPad to tap into the senior care market.
- Began research and developments into the virtual reality realm.
- Revealed the world's first curved-screen gaming notebook, the Predator 21 X.
- Acquired Pawbo and stepped into the petware market.
- Celebrated its 40th anniversary.

2017

- Unveiled smart transportation solutions, including smart parking, and an intelligent mixology robot solution.
- The Board appointed Jason Chen as Chairman and CEO, and Meggy Chen as Corporate Chief Financial Officer.
- Sponsored 13,000 smartwatches to athletes and sports delegation participating in the Summer Universiade Taiwan, together with MediaTek Inc. and EasyCard Corp.
- Expanded its digital signage business by participating in the private placement of AOPEN.
- The Board approved to separate the data center business from Acer CyberCenter Services Ltd. (now Acer Cyber Security Inc.) and form a new company called Acer e-Enabling Data Center Inc.

2018

- Launched the world's thinnest laptop, Swift 7, measuring at just 8.98 mm thin.
- Hosted the first Asia Pacific Predator League esports tournament and finals held in Jakarta, Indonesia.
- Expanded its gaming gadgets with the Predator Thronos chair.
- Announced the world's lightest 15-inch notebook with the Swift 5 weighing just 990 grams.
- Introduced the Acer OJO 500 Windows Mixed Reality headset.
- Named a Proud Partner and Official Monitor Provider of the League of Legends World Championship, for the third consecutive year.
- Appointed Tiffany Huang and Jerry Kao as Co-chief Operating Officers.

2019

- Launched the ConceptD brand with a full portfolio of high-end products for creators, including desktops, notebooks, and monitors.
- As Official Sponsor of the 2019 Olympiad in Informatics in Azerbaijan, Acer provided servers to run the contest, and notebooks for the contestants and staff.
- Predator was the first gaming brand to win the Red Dot brand award.
- Unveiled PLANET9, a next-generation esports platform and open community for gamers.
- The “Click to Pray eRosary” smart wearable, designed by its subsidiary GadgeTek Inc. in corporation with the Vatican for the Catholic community, captured much international media attention.
- Its subsidiary, Acer Cyber Security Inc. (ACSI), became listed on the Taipei Exchange.
- Teamed up with Ubisoft with the Predator brand as official PC and monitor sponsor for the Rainbow Six Pro League and Majors esports events through to 2020.

2020

- Held the first online next@acer global press conference due to the Covid-19 pandemic.
- Launched the Acer Enduro line of notebook and tablet for rugged use.
- Entered the beverage business with the PredatorShot energy drink and VitaBeauty collagen drink, expanding its lifestyle products.
- Expanded its air monitoring business by establishing the AcerPure Inc. subsidiary, and launched the “acerpure cool” 2-in-1 air circulator and purifier.
- Collaborated with National Taiwan University Hospital and Novartis Taiwan to receive the first AI-assisted diagnostic software ophthalmic medical device certification from the Taiwan Food & Drug Administration (TFDA approved license).
- Its subsidiary, Acer e-Enabling Service Business Inc. (AEB), teamed up with the Centers for Disease Control to build an information system for critical medical supplies and the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS), providing medical officials with real time data during the Covid-19 pandemic.
- The newly established business, Acer Gaming Inc., became a distributor of products from Sony Interactive Entertainment Taiwan.
- Its subsidiary, Acer Synergy Tech Corp. (AST), became listed on the Taipei Exchange.

2021

- Its subsidiary, Weblink International Inc., became listed on the Taiwan Stock Exchange.
- Introduced the award-winning ConceptD 7 SpatialLabs Edition laptop, bringing eye-popping, glasses-free stereoscopic 3D to designers and developers.
- Acer Group joined the RE100 initiative and committed to source 100% renewable electricity by 2035.
- Announced the “Earthion” platform to help tackle environmental challenges by uniting the strengths of its employees and supply chain partners.
- Unveiled the Vero line of sustainability-focused products, starting with the Aspire Vero notebook.
- Established an AI-based rapid transit safety R&D center in cooperation with the Taipei Rapid Transit Corporation and Taipei University of Technology.

2022

- Held the inaugural Acer Green Day and kicked off “21-Day Challenge,” motivating more than 7,000 employees of Acer, its partners, and suppliers to amplify positive impacts on the environment.
- Launched the World Predator League esports tournaments held across various regions around the world in EMEA, Pan America, and China.
- Its subsidiary, Acer Medical Inc., became listed on the Taipei Exchange Emerging Stock Market.
- Its subsidiary, Acer e-Enabling Service Business Inc. (AEB) became listed on the Taipei Exchange.
- Its subsidiary, Acer Gaming Inc., became listed on the Taipei Exchange Emerging Stock Market.
- Its subsidiary, Highpoint Service Network Corp., became listed on the Taipei Exchange Emerging Stock Market.
- Its subsidiary, Acer Gadget Inc. became listed on the Taiwan Stock Exchange.

2023

- Announced a new version of its SpatialLabs 3D technology bringing a new dimension to gaming.
- Listed in the Top 5% of companies in the S&P Global Sustainability Yearbook 2023 for sustainable business practices.
- Pledged to achieve net-zero emissions by 2050.
- Expanded the Vero line of eco-conscious computers to projectors, routers, and air purifiers.
- Victor Chien stepped into the role of Corporate President.

- Entered the e-mobility market with an AI-driven e-bike that adapts to riding conditions and bike desk, both empowering sustainable lifestyles.
- Awarded EcoVadis Sustainability Rating's Platinum medal for the second straight year, representing the top 1% of rated companies.
- Its sub-subsidiary, Protrade Applied Materials Corp., was approved for filing the public issuance of stock.
- Its sub-subsidiary, Winking Studios, a game content design company, was listed on the Singapore Exchange Catalist.
- Its sub-subsidiary, Acer Synergy Manpower Corp. was listed on the Taipei Exchange Emerging Market.
- Named Forbes World's Best Employers for the fourth consecutive year and Top Female Friendly Companies for the second year.
- Expanded its foothold in the energy storage industry by investing in C-Life Technologies, Inc., a lithium iron phosphate battery cells maker in Taiwan.
- Listed on the Dow Jones Sustainability Indices (DJSI) for the 10th consecutive year.
- A constituent of the FTSE4Good Emerging Index for the eighth consecutive year.
- Listed in the MSCI ESG Leaders Indexes for the 10th year, garnering the best rating of "AAA" in its category since 2021.
- Unveiled its "Conscious Technology" vision for technology designed and made with consideration for the future.

2024

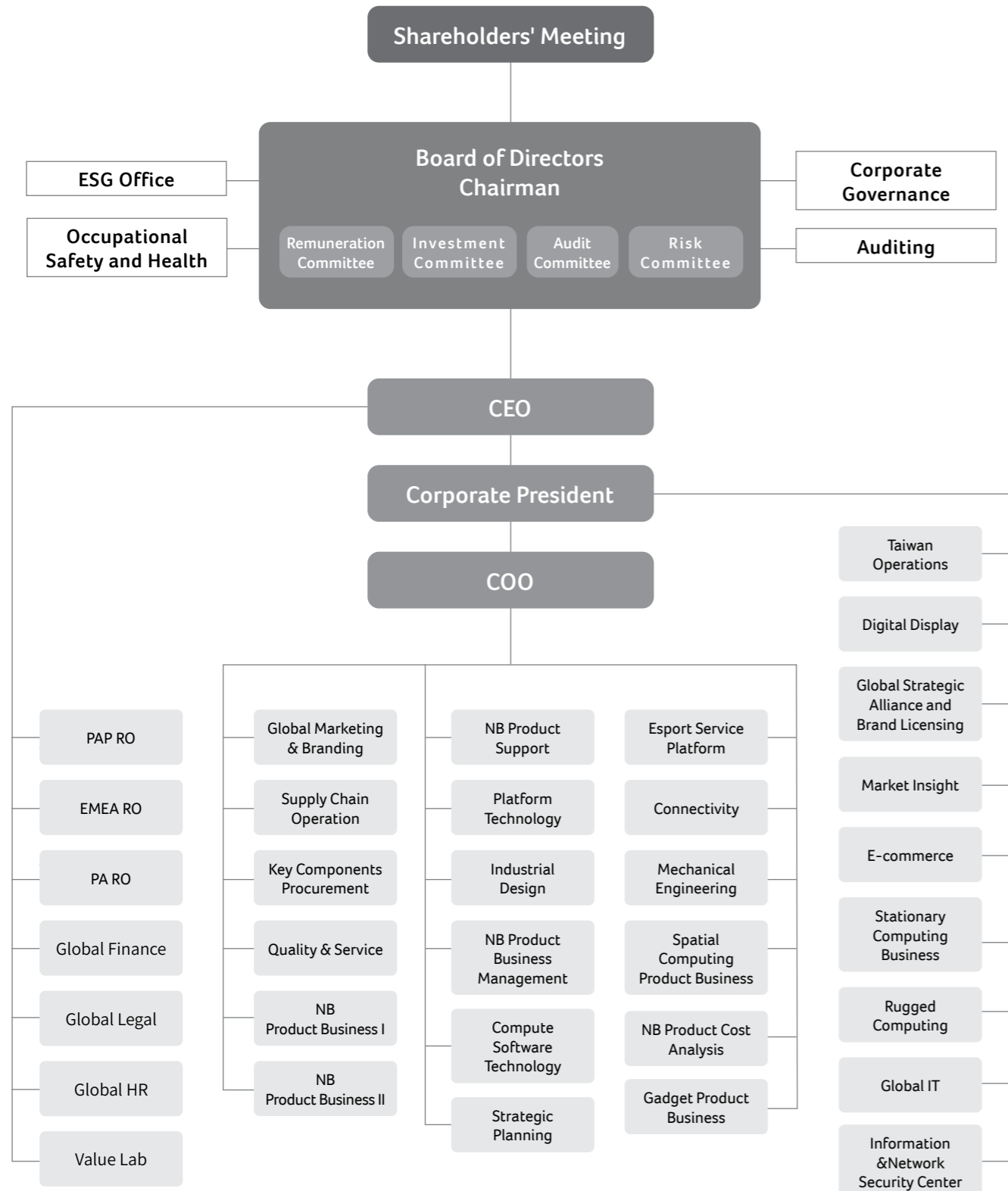
- Debuted its first carbon-neutral notebook with the Aspire Vero 16 AI PC.
- Expanded its Predator gaming monitor line for hardcore gamers with a massive 57-inch curved and MiniLED display, Predator Z57.

Corporate Governance Report

3

3.1 Organization of the Company

3.1.1 Department Functions (April 02, 2024)



3.1.2 Corporate Functions

<p>Auditing</p> <p>To assist Acer Board of Directors and officers in inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency, and make timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction</p>	<p>PAP RO</p> <p>Sales, marketing and after-sales service of Acer's IT products in Asia Pacific</p>
<p>Corporate Governance</p> <p>The procedures for and relative matters of Shareholders, Board of Directors and functional committees' meeting; to assist Acer Board of Directors and BOD members to execute their power and authority in accordance with laws and regulations, the Company's Articles of Incorporation and relevant internal rules</p>	<p>EMEA RO</p> <p>Sales, marketing and after-sales service of Acer's IT products in Europe, Middle East and Africa</p>
<p>Occupational Safety and Health</p> <p>Establish an occupational safety and health management system to achieve safety and health management goals and improve safety and health management standards through planning, implementation, evaluation, and improvement measures</p>	<p>PA RO</p> <p>Sales, marketing and after-sales service of Acer's IT products in Pan America</p>
<p>ESG Office</p> <p>Strategic planning and management in corporate sustainability with the aim of fulfilling corporate social responsibilities</p>	<p>Global Finance</p> <p>Corporate finance, investment, treasury, credit and risk control and accounting services management</p>
	<p>Global Legal</p> <p>Corporate and legal affairs, intellectual property management</p>
	<p>Global HR</p> <p>In response to market changes of global trends, formalize the human resources-related talent strategies and organizational planning to meet the company's sustainable development needs</p>
	<p>Value Lab</p> <p>Research and development, design and devote to the technology for new value creation business</p>

Taiwan Operations

Sales, marketing and after-sales service of Acer's IT products in Taiwan

Digital Display

Managing global monitors, and projectors product lines business

Global Strategic Alliance and Brand Licensing

Corporate brand licensing, consolidation, implementation, and strategic planning for Acer's products

Market Insight and Business Intelligence

Market data collection, analysis, prediction, and business management

E-commerce

Management of global e-commerce performance and end-to-end operations

Stationary Computing Business

Development and management of Acer's desktop computer products

Rugged Computing

Development and management of Acer's rugged computer products

Global IT

Corporate information application and information systems management

Global Marketing & Branding

Corporate branding, global marketing strategy and management

Supply Chain Operations

Management of Acer's product supply chain operations

Key Components Procurement

Management of procurement and integration of key components for Acer's products.

Quality & Service

Management of quality and customer service for Acer's products

NB Product Business

Development and management of Acer's notebook products

NB Product Support

Management of support services for Acer's notebook products

Platform Technology

Development and management of Acer' IT products through integrated technology platforms for optimal performance and user experience

Industrial Design

Industrial design for Acer's products for optimal user experience

NB Product Business Management

Management of sales and operations for Acer's notebook products

Compute Software Technology

Management of Acer's computing software technology

Strategic Planning

Strategic planning for Acer's IT products

Esport Service Platform

Development and management of Acer's esports service platform

Connectivity

Development and management of Acer's communication products

Mechanical Engineering

Mechanical design for Acer's IT products

Spatial Computing Product Business

Development and management of Acer's spatial computing products

NB Product Cost Analysis

Management of cost analysis for Acer's notebook products

Gadget Product Business

Development and management of innovative peripheral products

Information and Network Security Center

Global cybersecurity governance and risk management

3.2 Information Regarding Board of Directors and Key Managers

3.2.1 Board of Directors (April 02, 2024)

Title	Nationality or Registration	Name	Gender/ Age	Date of Election	Term	Accumulative Term	Date of First Election (Note 5)	Shares Held When Elected		Shares Held at Present		Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Managerial Position		
								Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage			Title	Name	Relation-ship
Chairman (Note 1)	R.O.C	Jason Chen	Male Above 60	06/06/2023	3 Years	Since June 2014	06/18/2014	2,633,480	0.09	2,633,480	0.09	0	0	7,086,056	0.23	Senior Vice President of Worldwide Sales and Marketing, TSMC MS in Business Administration, Missouri Columbia University	1. Chairman, Mu-Jin Investment Co., Ltd. 2. Chairman, Mu-Shi Investment Co., Ltd. 3. Independent Director, Powerchip Semiconductor Manufacturing Corporation 4. Director, FocalTech Systems Co., Ltd. 5. Other (Note 2)	-	-	-
Director	R.O.C	Hung Rouan Investment Corp.	-	06/06/2023	3 Years	Since June 2005	06/14/2005	73,629,933	2.42	73,629,933	2.42	0	0	0	0	-	-	-	-	-
Legal Representative of Director	R.O.C	Stan Shih (Representative of Hung Rouan Investment Corp.)	Male Above 60	06/06/2023	3 Years	Since July 1979	12/17/2001	0	0	34,989,531	1.15	399,225	0.01	0	0	Chairman, ACER MS in Electrical Engineering, National Chiao Tung University, Taiwan	1. Director, CTS Inc. 2. Director, Hung Rouan Investment Corp. 3. Director, Nan Shan Life Insurance Co., Ltd. 4. Chairman, Ambi Investment and Consulting Inc. 5. Director, Egis Technology Inc. 6. Director, Taiwan Public Television Service Foundation 7. Chairman, CLOUD GATE Foundation 8. Chairman, Stans Foundation 9. Director, Chew's Culture Foundation 10. Director, SanCode Education Foundation 11. Director, Chiang Ching-kuo Foundation for International Scholarly Exchange 12. Director, AiSails Power Inc. 13. Director, Transformative Cell Processing Co., Ltd. 14. Director, Himalaya VC Management Corp. 15. Chairman, Himalaya VC Corp. 16. Director, One Song Inc. 17. Director, Zeelandia Co., Ltd. 18. Chairman, Porrima Inc. 19. Other (Note 2)	Director	Maverick Shih	Son
Director	R.O.C	Maverick Shih	Male 50~60	06/06/2023	3 Years	Since July 2019	06/14/2005	10,141,777	0.33	10,141,777	0.33	4,390,960	0.14	0	0	President, Acer Cloud Technology Ph.D. in Electrical Engineering, University of Southern California	1. Director, Kiwi Technology Inc. 2. Chairman, Taurus Interstellar Inc. 3. Chairman, MAVs LAB. Inc. 4. Director, Allxon Inc. 5. Director, Porrima Inc. 6. Other (Note 2)	Legal Representative of Director	Stan Shih	Father
Independent Director	R.O.C	Ching-Hsiang Hsu	Male Above 60	06/06/2023	3 Years	Since June 2017	06/21/2017	0	0	0	0	0	0	0	0	Chairman, Research Institute of Electronics Engineering, Tsing-Hua University Ph.D. in Electrical Engineering, University of Illinois at Urban-Champaign	1. Chairman, eMemory Technology Inc. 2. Chairman and President, PUFsecurity Corp. 3. Chairman, PUFsecurity USA Corporation 4. Director, SecuX Technology Inc. 5. Chairman, iMQ Technology Inc. 6. Independent Director, Materials Analysis Technology Inc. 7. Director, National Applied Research Laboratories 8. Director, Powerchip Semiconductor Manufacturing Corporation	-	-	-
Independent Director	Japan	Yuri Kure	Female 40~50	06/06/2023	3 Years	Since June 2020	06/12/2020	0	0	0	0	0	0	0	0	Lee and Li, Attorney-at-Law, Senior Associate-Japan Project Manager MS in Law, National Taiwan University	None	-	-	-

Title	Nationality or Registration	Name	Gender/Age	Date of Election	Term	Accumulative Term	Date of First Election (Note 5)	Shares Held When Elected		Shares Held at Present		Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Managerial Position		
								Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage			Title	Name	Relation-ship
Independent Director (Note 3)	R.O.C	Pan-Chyr Yang	Male Above 60	06/06/2023	3 Years	Since June 2023	06/06/2023	0	0	0	0	0	0	0	0	President, National Taiwan University PhD, Graduate Institute of Clinical Medicine, College of Medicine, National Taiwan University	1. Director, Microbio Co., Ltd. 2. Professor, Department of Internal Medicine, National Taiwan University Hospital 3. Academician, Academia Sinica 4. Executive Secretary, NTU Center of Genomic Medicine 5. Program Director, Microarray Core Facility, National Research Program for Genomic Medicine 6. President, Taiwan Society of Pulmonary and Critical Care Medicine 7. Lung Cancer Program Co-Director with President Cheng-Wen Wu, National Research Program for Genomic Medicine 8. Clinical Professor, Department of Oncology, National Taiwan University 9. President, NTU	-	-	-
Independent Director (Note 3)	R.O.C	Mei-Yueh Ho	Female Above 60	06/06/2023	3 Years	Since June 2023	06/06/2023	0	0	0	0	0	0	0	0	Minister of Economic Affairs, R.O.C. Graduated from Technology Management Program of National Chengchi University	1. Independent Director, ASE Technology Holding Co., Ltd. 2. Independent Director, Center Laboratories Inc. 3. Director, Kinpo Electronics, Inc. 4. Independent Director, Onward Therapeutics SA	-	-	-
Independent Director (Note 4)	R.O.C	Ji-Ren Lee	Male Above 60	06/12/2020	3 Years	Since June 2014	06/18/2014	0	0	0	0	0	0	0	0	Professor of International Business, College of Management, National Taiwan University Ph.D. in Strategic Management, University of Illinois at Urban-Champaign	1. Independent Director, Delta Electronics, Inc. 2. Independent Director, Vivotek Inc. 3. Director, Commonwealth Magazine Co., Ltd. 4. Director, AXR Entrepreneurship and Business Consulting Co., Ltd. 5. Director, Social Enterprise Insights 6. Chairman, B Current Impact Investment Fund 3 7. Director, Primax Electronics Ltd. 8. Director, Emerging Capital Co., Ltd. 9. Director, Longchen Paper & Packaging Co., Ltd. 10. Director, Commonwealth Education Media And Publishing Co., Ltd. 11. Member of Remuneration Committee, MediaTek Inc. 12. Independent Director, Airoha Technology Corp.	-	-	-

Note 1 : The Company continuously focus on Dual Transformation, which means Acer not only discovers a Niche Market to its core business, but also develops multiple growth engines; to efficiently exercise the limited resource of Acer group, and achieve this challenging and complicated strategy of Dual Transformation, it is periodically necessary for one person to hold a concurrent post of Chairman and CEO. Moreover, to enhance the supervising function to Board, the Company increases the number of Independent Directors to 4 seats, in addition there is no more than half directors hold a concurrent post of employees and executors of the Company.

Note 2 : Appointed by Company to be Director and/or President of certain subsidiaries. For further details, please refer to pages 182 to 197.

Note 3 : Pan-Chyr Yang and Mei-Yueh Ho assumed position on 2023.06.06.

Note 4 : Ji-Ren Lee released on 2023.06.06 the number of shares will be "0" for the board of director dismissed or resigned.

Note 5 : The Date that the Director was first elected when Acer has been a public offering Company.

Major Shareholders of Acer's Institutional Shareholders (April 02, 2024)

Name of Acer's Institutional Shareholders	Major Shareholders of Acer's Institutional Shareholders	Percentage of Shares
Hung Rouan Investment Corp.	Carolyn Yeh	20.13%
	StanShih Foundation	1.60%
	Shih Hsuen Rouan	17.25%
	Shih Hsuen Huei	26.09%
	Shih Hsuen Lin	17.16%
	Shih Fang Cheng	8.93%
	Yeh Ting Yu	8.84%

Note: StanShih Foundation is established and 100% donated by Mr. Stan Shih.

Directors' Professional Qualifications and Independent Directors' Independence

Criteria	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Name			
Jason Chen	<p>Jason Chen has been Chairman and CEO of Acer since 2017. From 2014 to 2017 he served as Corporate President and CEO, and played a pivotal role in driving Acer's corporate transformation and diversification into new business areas.</p> <p>Before joining Acer, Chen served at TSMC from 2005 to 2013 where his last assignment was Senior Vice President of Worldwide Sales and Marketing. From 1991 to 2005 he enjoyed a 14-year career at Intel during which his last position was as Corporate Vice President of Sales and Marketing Group based at Intel's U.S. headquarters. From 1988 to 1991 Chen worked at IBM Taiwan.</p> <p>Chen specializes in information technology and finance, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> Except that Chen himself serves as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Chen holds 2,633,480 shares (0.09%) of the Company by himself and 7,086,056 shares (0.23%) of the Company under others' names. There is no condition that Chen, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	1
Stan Shih (Representative of Hung Rouan Investment Corp.)	<p>Stan Shih co-founded Acer in 1976 under the name Multitech, and served as Chairman and CEO until his initial retirement in 2004. He returned in November 2013 to help lead Acer through its third corporate transformation. In June 2014 he stepped away from the daily operations and became Honorary Chairman.</p> <p>A social entrepreneur, Shih now serves as Chairman of the StanShih Foundation. He is a member of the board at TSMC and Nan Shan Life Insurance. In social and public services, he is Chairman of the Cloud Gate Culture and Arts Foundation, and convener of the Cultural Tech Alliance, Taiwan. He is also a member of the board at the Public Television Service Foundation and the Chinese Television System.</p> <p>Throughout his career, Shih has received numerous accolades, including Businessweek's "25 Top Managers of the Year" (1996) and was featured in TIME in the article "60 years of Asian Heroes" (2006).</p> <p>Shih specializes in information technology, finance and consumer discretionary market and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> Except that Shih himself and his son, Maverick Shih, serve as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Shih holds 34,989,531 shares (1.15%) of the Company by himself and his family holds 150,573,976 shares (4.94%) of the Company. There is no condition that Shih, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0

Criteria	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Name			
Maverick Shih	<p>Maverick Shih is the Chairman for Acer Cyber Security and Acer Synergy Tech. When Acer merged with iGware in 2011, he joined Acer as Special Assistant to the President of Cloud Technology Business to help lay the foundation for Acer's cloud service development. The cloud business later became the BYOC (Build Your Own Cloud) Business in 2014 and Shih was promoted as its President, supporting the overall transformation of Acer.</p> <p>With a Ph.D. in Electrical Engineering, Shih's previous appointments specialized in IC design, multimedia audio/video signal processing technology, imaging analysis, and software design for tablets. He holds a B.Sc. degree in Applied Mathematics at Fu Jen Catholic University, and a Ph.D. in Electrical Engineering from the University of Southern California.</p> <p>Shih specializes in information technology, finance and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> Except that Shih himself and his father, Stan Shih, serve as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Shih holds 10,141,777 shares (0.33%) of the Company by himself and his family holds 175,776,370 shares (5.76%) of the Company. There is no condition that Shih, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0
Ching-Hsiang Hsu	<p>Since 2009, Dr. Ching-Hsiang Hsu has been Chairman of eMemory Technology Inc., the biggest eNVM IP provider in the world, which he founded in 2000 as its President. In addition he has served on the board of directors at National Applied Research Laboratories (NARLabs) since 2018 and as Executive Director of the Taipei Computer Association since 2010.</p> <p>Prior to founding eMemory, Dr. Hsu spent eight years at Taiwan's National Tsing-Hua University (NTHU) and as Chairman of the Institute of Electrical Engineering from 1998 to 2000, and as Professor of the Department of Electronics Engineering from 1992 to 1998. Dr. Hsu worked at IBM T.J. Watson Research Center in the U.S. as researcher from 1987 to 1992.</p> <p>Dr. Hsu graduated from NTHU with a B.S. in Electrical Engineering and received his M.S. and Ph.D. in Electrical Engineering from the University of Illinois, Urbana-Champaign. Renowned for his extensive research and inventions in Non-Volatile Semiconductor Devices, Dr. Hsu holds over 200 patents and has published 120 papers on semiconductors.</p> <p>Dr. Hsu specializes in information technology and consumer discretionary market, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> There is no condition that Dr. Hsu, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Dr. Hsu, his spouse, and his relative within the second degree of kinship don't hold the Company's share. There is no condition that Dr. Hsu, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	1

Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Yuri Kure	<p>Yuri Kure (Japanese) served in the legal and intellectual property division of a Taiwanese IC design company, before joining Lee and Li Attorneys-at-Law from 2013 to 2018, where she was responsible for providing legal consultation services for clients in the technology, medical and financial sectors. She handled cases for world-class Taiwanese and Japanese enterprises involving international investments, joint ventures, and mergers, while also supporting technology disputes and IP related cases.</p> <p>While she was a member of the Japan Chamber of Commerce and Industry, she hosted speeches for seminars related to international mergers and investments for the Japan-Taiwan Exchange Association and JETRO.</p> <p>Yuri Kure is experienced in legal studies, and has a bachelor of law from the Soka University in Japan, and a masters degree in law from National Taiwan University.</p> <p>Yuri Kure specializes in providing business and legal service, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Yuri Kure, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Yuri Kure, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Yuri Kure, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0
Pan-Chyr Yang	<p>Dr. Pan-Chyr Yang is currently a professor at the Department of Internal Medicine, College of Medicine, National Taiwan University, and Academician of Academia Sinica. He is also the Vice President of the Institute for Biotechnology and Medicine Industry, and a Juristic-Person Director at Microbio since 2021. Dr. Yang is a world-renowned lung cancer researcher, and has advocated for smart medicine and building a sustainable big-data platform for precision health in recent years.</p> <p>Dr. Yang is a pioneer in his field as he has successfully applied ultrasound technology to the diagnosis of chest diseases. Since the early 2000s, he has conducted advanced research for female lung cancer in Taiwan and his work has been published in various international journals since then. During the pandemic, Dr. Yang and his team developed the ACE2-Fc decoy antibody to block virus infection, with their work being published by EMBO Molecular Medicine.</p> <p>Dr. Yang holds a Ph.D. from the National Taiwan University's Graduate Institute of Clinical Medicine and was appointed President of National Taiwan University from 2013 to 2017. He was a recipient of the 1993 Ten Outstanding Youth Award in Taiwan along with multiple Outstanding Research Awards from the National Science Council.</p> <p>Dr. Yang specializes in consumer staples and healthcare, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Dr. Yang, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Yang, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Yang, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0

Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Mei-Yueh Ho	<p>Mei-Yueh Ho is currently a national policy advisor to the President and Chairperson of the Science and Technology Interchange Committee, Taiwan - Japan Relations Association.</p> <p>Ho has worked as a civil servant in Taiwan for over 30 years, with a primary focus on economic affairs and development. She was the Minister of the Ministry of Economic Affairs, Taiwan from 2004 to 2006 and the Chairperson of the Council for Economic Planning and Development, Taiwan from 2007 to May 2008. During her tenure as Chairperson, Ho was involved in the formulation of vital national policies and strategies, including the National Development Plan and the Biotechnology Industry Development Project for Taiwan.</p> <p>After retiring from the government, she has been appointed as an Independent Director of ASE Technology Holding Inc. and Center Laboratories Inc. and a Director of Kinpo Electronics Inc.</p> <p>Ho graduated from National Taiwan University with a bachelor's degree in Agricultural Chemistry (Life Sciences).</p> <p>Ho specializes in materials, industrials, information technology & utilities, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Ho, her spouse, or her relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Ho, her spouse, and her relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Ho, her spouse or her relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	3
Ji-Ren Lee (Note)	<p>Dr. Ji-Ren Lee has been Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University since 2002, where he was the Executive Director of EMBA Program from 2005-2008.</p> <p>Before his academic career, Dr. Lee worked at Yulon Motor Co. from 1982 to 1983, and with the subsidiary of a Germany-based multinational corporation, Boehringer Ingelheim Taiwan, from 1985 to 1989.</p> <p>Dr. Lee also serves as an Independent Director of E.Sun Financial Holding Company (since 2007), Delta Electronics (since 2016) and Vivotek Inc. (since 2018).</p> <p>Dr. Lee holds a B.E. from National Tsing Hua University, Taiwan; MBA from the National Taiwan University; and Ph.D. from University of Illinois at Urbana-Champaign Illinois, U.S.A. Dr. Lee specializes in consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Dr. Lee, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Lee, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Lee, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	3

Note: Ji-Ren Lee released on 2023.06.06

Board of Directors (BOD) Diversity Policy

Acer Group constantly pay attention to corporate governance, our BOD Diversity Policy is included into Chapter III Enhancing the Function of Board of Directors of “Acer Incorporated Corporate Governance Best-Practice Principles”.

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the shareholders meetings. Procedures and arrangement relating to corporate governance shall ensure that, in exercising its authority, the board of directors will comply with laws, regulations, articles of incorporation, and the resolutions of shareholders meetings of the Company.

Regarding the structure of the board of directors, the Company shall determine an appropriate number of board members not less than five persons, in consideration of its business scale, the shareholding of its major shareholders and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience

All members of the board shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgment.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Industrial knowledge.
6. International market perspective.
7. Ability to lead.
8. Ability to make decisions.

The specific management objectives of the BOD Diversity Policy

This Policy may make the Board function be more effective. The nomination and selection of board members of the Company is in accordance with the Company's Articles. In addition, there is nomination system to ensure the diversity and independence of the board members. The Company expects to invite and nominate two or more female candidates in the next board election, and to select directors with different professional knowledge, for providing different perspectives and contributions to facilitate the Board function.

The implementation of the BOD Diversity Policy

As of the end of 2023, there are one directors aged between 40 and 50 years old, there are one directors aged between 50 and 60 years old, while the other directors are 60 years old or above. Two female director is present, while the remaining directors are male, resulting in a female representation of 28.57%. One director is of Japanese nationality, while the others are of Taiwanese nationality, resulting in a foreign nationality representation of 14.29%. The directors' expertise and diversity backgrounds are as follows:

1. Director specializing in operation and sales of Global brand products and services: Jason Chen
2. Director who be devoted in innovation, public and social services: Stan Shih
3. Director specializing in cloud and IC design: Maverick, Shih
4. Director specializing in semiconductor industry and having outstanding contribution on the R&D to non-volatile semiconductor component: Ching-Hsiang, Hsu
5. Director specializing in legal affairs: Yuri Kure
6. Director Specializing in Consumer Staples & Healthcare sectors: Pan-Chyr Yang
7. Director specializing in Materials, Industrials, Information Technology & Utilities sectors: Mei-Yueh Ho

Board of Directors' independence

The Company has seven directors, including four independent directors. The ratio of independent directors is 57.14%. Given that the independent directors constitute more than half of the Board of Directors, the independent directors can fully perform their functions to supervise the Company's operation and protect the shareholders' benefits, give their professional opinions without the influences of management team or other directors, and ensure the Board of Directors' independence.

Except Stan Shih and Maverick Shih are father and son relationship among the Company's directors, there is no relationship of spouse or relative within the second degree of kinship among the other directors (including independent directors). Therefore, there is no violation of Paragraph 3, Article 26-3 of Securities and Exchange Act.

The Company has been established the audit committee to replace the supervisor, so doesn't apply for Paragraph 4, Article 26-3 of Securities and Exchange Act.

The backgrounds of current Directors:

Name	Gender	Nationality or Registration	Classification	Age			Marketing	Information Security	Cloud	Semiconductor	IC design	Entrepreneur	Transformation	Investment	Accounting	Academia	NPO Experience	Health-care	Social / Culture	Legal
				40~50	50~60	Above 60														
Jason Chen	M	R.O.C	Non-independent			✓	✓		✓											
Stan Shih	M	R.O.C	Non-independent			✓	✓				✓	✓					✓		✓	
Maverick Shih	M	R.O.C	Non-independent		✓			✓	✓		✓									
Ching-Hsiang Hsu	M	R.O.C	Independent			✓		✓	✓	✓	✓			✓	✓					
Yuri Kure	F	Japan	Independent	✓																✓
Pan-Chyr Yang	M	R.O.C	Independent			✓										✓	✓	✓		
Mei-Yueh Ho	F	R.O.C	Independent			✓								✓			✓		✓	

3.2.2 Key Managers (April 02, 2024)

Title	Nationality or Registration	Name	Gender	Date of Accession	Shares Held Directly		Shares Held by Spouse & Minors			Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Position as President or Vice President		
					Number	Percentage	Number	Percentage		Number	Percentage			Title	Name	Relationship
Chairman & CEO (Note 1)	R.O.C	Jason Chen	Male	01/01/2014	2,633,480	0.09	0	0		7,086,056	0.23	Global Marketing Sales Senior Vice General Manager, TSMC Business Administration Master, University of Missouri	1. Chairman, Mu-Jin Investment Co., Ltd. 2. Chairman, Mu-Shi Investment Co., Ltd. 3. Independent Director, Powerchip Semiconductor Manufacturing Corporation 4. Director, FocalTech Systems Co., Ltd. 5. Other (Note 2)	-	-	-
Corp. President	R.O.C	Victor Chien	Male	03/25/2016	6	0	11	0		744,500	0.02	Associate General Manager, Zenitron Corporation Control Engineering and Management Science Bachelor, National Chiao Tung University	1. Chairman, EnkuCapital Inc. 2. Independent Director, AVerMedia Technologies, Inc. 3. Other (Note 2)	-	-	-
Corp.VP & President	France	Emmanuel Fromont	Male	01/01/2011	1,730,000	0.06	0	0		0	0	VP, Acer EMEA, Packard Bell Division MBA, University of Southern California (USC)	(Note 2)	-	-	-
COO	R.O.C	Jerry Kao	Male	12/01/2014	1,144,375	0.04	0	0		0	0	AVP of Acer Note Book Business Group MBA, National Chung Hsing University	(Note 2)	-	-	-
President	USA	Gregg Prendergast	Male	09/01/2015	1,375,000	0.05	0	0		0	0	American East Director, Texas Instruments Business Bachelor, Temple University	(Note 2)	-	-	-
President	R.O.C	Andrew Hou	Male	03/25/2016	765,500	0.03	0	0		0	0	Vice General Manager, Lite-On Technology Corporation Computer Science Master, Syracuse University	1. Chairman, Hua-Zhi Investment Co., Ltd. 2. Other (Note 2)	-	-	-
Corp. Governance Officer	R.O.C	Lydia Wu	Female	05/08/2019	640,000	0.02	0	0		0	0	General Counsel of Acer Global Legal Bachelor, Department of law of National Taiwan University	(Note 2)	-	-	-
Corp. CFO	R.O.C	Meggy Chen	Female	07/01/2017	844,265	0.03	0	0		0	0	AVP of Acer Global Treasury Business Administration Master, UCLA Anderson School of Management	(Note 2)	-	-	-
Accounting Officer	R.O.C	Sophia Chen	Female	07/01/2017	251,680	0.01	0	0		0	0	CFO of Acer Pan Asia Pacific Region Business Administration Master, University of Pittsburgh	(Note 2)	-	-	-
Co-COO (Note 3)	R.O.C	Tiffany Huang	Female	01/01/2013	0	0	0	0		0	0	AVP of Acer PCGO Supply Chain Operations; acting Operation Analysis Officer of Corp. President Office Bachelor, Department of law of National Chung Hsing University	-	-	-	-
CTO (Note 3)	R.O.C	RC Chang	Male	09/01/2015	0	0	0	0		0	0	Department of Computer Science Professor, National Chiao Tung University Computer engineering Doctor, National Chiao Tung University	(Note 2)	-	-	-

Note 1 : The Company continuously focus on Dual Transformation, which means Acer not only discovers a Niche Market to its core business, but also develops multiple growth engines; to efficiently exercise the limited resource of Acer group, and achieve this challenging and complicated strategy of Dual Transformation, it is periodically necessary for one person to hold a concurrent post of Chairman and CEO. Moreover, to enhance the supervising function to Board, the Company increases the number of Independent Directors to 4 seats, in addition there is no more than half directors hold a concurrent post of employees and executors of the Company.

Note 2 : Appointed by Company to be Director and/or President of certain subsidiaries. For further details, please refer to pages 182 to 197.

Note 3 : Tiffany Huang resigned on 2023.05.04 and RC Chang resigned on 2024.01.01, the number of shares will be "0" for the board of director dismissed or resigned.

Range of Remuneration	Name of Directors				
	Total of (A+B+C+D)			Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	Stan Shih, Maverick Shih, Jason Chen, Hung Rouan Investment Corp.	Stan Shih, Maverick Shih, Jason Chen, Hung Rouan Investment Corp.		Hung Rouan Investment Corp.	Hung Rouan Investment Corp.
NT\$1,000,000~Under NT\$2,000,000	Ji-Ren Lee	Ji-Ren Lee		Ji-Ren Lee	Ji-Ren Lee
NT\$2,000,000~Under NT\$3,500,000	Pan-Chyr Yang, Mei-Yueh Ho	Pan-Chyr Yang, Mei-Yueh Ho		Pan-Chyr Yang, Mei-Yueh Ho	Pan-Chyr Yang, Mei-Yueh Ho
NT\$3,500,000~Under NT\$5,000,000	Yuri Kure, Ching-Hsiang Hsu	Yuri Kure, Ching-Hsiang Hsu		Yuri Kure, Ching-Hsiang Hsu	Yuri Kure, Ching-Hsiang Hsu
NT\$5,000,000~Under NT\$10,000,000				Maverick Shih, Jason Chen	Maverick Shih
NT\$10,000,000~Under NT\$15,000,000					
NT\$15,000,000~Under NT\$30,000,000				Stan Shih	Stan Shih
NT\$30,000,000~Under NT\$50,000,000					
NT\$50,000,000~Under NT\$100,000,000					
NT\$100,000,000 & above					Jason Chen
Total	9	9		9	9

3.2.3.2 Remuneration of Supervisors

None

3.2.3.3 Remuneration of the President and Vice Presidents

Unit: NT\$ Thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Sum and Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CEO	Jason Chen	48,990	116,122	3,165	9,439	50,913	248,701	45,402	0	85,497	0	Sum 148,470 Ratio 3.01%	Sum 148,470 Ratio 3.01%	None
Corp. President	Victor Chien													
Corp. VP & President	Emmanuel Fromont													
COO	Jerry Kao													
President	Gregg Prendergast													
President	Andrew Hou													
Corporate Governance Officer	Lydia Wu													
Corp. CFO	Meggy Chen													
Accounting Officer	Sophia Chen													
Co-COO (Note)	Tiffany Huang													
CTO (Note)	RC Chang													

Note: Tiffany Huang resigned on 2023.05.04 and RC Chang resigned on 2024.01.01.

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Under NT\$ 1,000,000	Emmanuel Fromont, Gregg Prendergast	
NT\$1,000,000 ~ Under NT\$2,000,000		
NT\$2,000,000 ~ Under NT\$3,500,000		
NT\$3,500,000 ~ Under NT\$5,000,000	Tiffany Huang	Tiffany Huang
NT\$5,000,000 ~ Under NT\$10,000,000	Jason Chen, Sophia Chen	Sophia Chen
NT\$10,000,000 ~ Under NT\$15,000,000	RC Chang	RC Chang
NT\$15,000,000 ~ Under NT\$30,000,000	Jerry Kao, Andrew Hou, Meggy Chen, Lydia Wu	Jerry Kao, Andrew Hou, Meggy Chen, Lydia Wu
NT\$30,000,000 ~ Under NT\$50,000,000	Victor Chien	Victor Chien
NT\$50,000,000 ~ Under NT\$100,000,000		Emmanuel Fromont, Gregg Prendergast
NT\$100,000,000 & above		Jason Chen
Total	11	11

The distribution of Profit Sharing as employee's compensation to President and Vice Presidents:

Unit: NT\$ Thousand/ Thousand shares

Title	Name	Cash Amount (Note)	Stock Amount	Total	Ratio of Total Amount to Net Income(%)
Chairman & CEO	Jason Chen	85,497	0	85,497	1.73%
Corp. President	Victor Chien				
Corp. VP & President	Emmanuel Fromont				
COO	Jerry Kao				
President	Gregg Prendergast				
President	Andrew Hou				
Corporate Governance Officer	Lydia Wu				
Corp. CFO	Meggy Chen				
Accounting Officer	Sophia Chen				
Co-COO (Note 2)	Tiffany Huang				
CTO (Note 2)	RC Chang				

Note 1: As of the date of printing of the annual report, the amount of employee compensation has not been determined, and the proposed distribution of cash for this year is calculated based on the actual distribution ratio from last year, which cash amounts to NT\$85,497,000 and stock amount will be NT\$0.

Note 2: Tiffany Huang resigned on 2023.05.04 and RC Chang resigned on 2024.01.01.

3.2.3.4 Compare and explain the company's and all companies in the consolidated statement in the past two years of the total amount of remuneration of the company's directors, supervisors, general managers and deputy general managers as the percentage of the net profit after tax and after having explained the policies, standards, combination of remuneration; setting remuneration procedures; and the relevance of the business performance and the future risks.

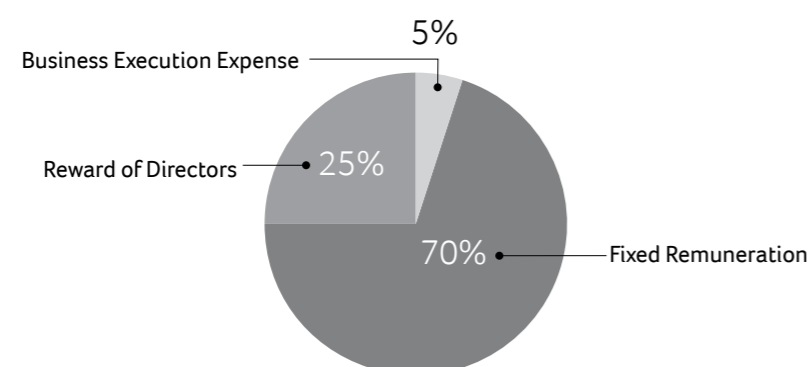
(1) The total amount of remuneration paid to the directors of the company in the last two years as a percentage of the net profit after tax

Title	The proportion of the total remuneration of the company in the net profit after tax in 2022	The total remuneration of all companies in the consolidated statement of the Republic of China in 2022 accounted for the proportion of net profit after tax	The proportion of the total remuneration of the company in the net profit after tax in 2023	The total remuneration of all companies in the consolidated statement of the Republic of China in 2023 accounted for the proportion of net profit after tax
Director	0.42%	0.42%	0.33%	0.33%

1. Remuneration policy, standard and combination

The decision of Directors' remuneration is based on the company's articles of association and the "Principles of remuneration for directors" approved by the remuneration committee and approved by the board of directors. After the resolution of the board of directors, the report of the general meeting of shareholders shall be submitted in accordance with the law. In addition to fixed remuneration and business execution fees (including travel expenses), the director's remuneration is based on the company's operating results and its contribution to the company's performance, as well as the high-tech industry support standards in the Willis Towers Watson annual report. The package would be issued by the remuneration committee after the proposal is submitted to the board of directors for resolution and approval.

In addition, the company's "Principle of remuneration for directors" clearly stipulates that directors (including the chairman) who serve as employees concurrently would only receive employee remuneration but not director's remuneration except for business execution expenses. As to avoid difficulty in distinguishing performance contributions when serving as directors and employees at the same time.



2. Procedure for setting remuneration

According to the Article 16-1 of the company's articles of association, if there is profit in the year, no more than 8‰ should be allocated as the director's remuneration, and the distribution method will be submitted to the board of directors by the compensation and remuneration committee for decision first, then report it to the shareholders meeting as well. According to the regulations of the company's remuneration committee, the remuneration of directors shall be paid in accordance with the "Principles of Payment of Directors' Remuneration". The principles are as follows: (1) A director who concurrently serves as a manager/employee shall neither receive the director's fixed remuneration nor receive the director's remuneration; (2) Since all independent directors have participated in the audit committee, remuneration committee and investment review committee, they have assumed more responsibilities than ordinary (non-independent) directors. The remuneration will be slightly higher than a general director who does not participate in the committee.

3. Link between performance appraisal and remuneration

The procedure for setting remuneration is based on the Company's "Measures for the Evaluation of the Board's Performance" (including the performance evaluation of various committees). The remuneration of the directors of the company is based on their overall consideration of the company's operational participation and performance evaluation results (such as dedication to company affairs, meeting attendance, continuous education, etc.). The results of the overall evaluation of the performance of the board of directors will be submitted to the board of directors' report in the first quarter of the following year, and the directors' remuneration for that year will be further discussed and decided at the same meeting of the board of directors. In addition, according to the organization rules of the Compensation Committee of the Company, the responsibilities of the Compensation Committee include regular review and regular evaluation of the policies, systems, standards and structures for the performance evaluation and compensation of directors and managers.

4. Relationship between business performance and future risks

The remuneration of the directors of the company is not only paid with reference to the company's past operating performance, but also the payment standard, structure and system will be flexibly adjusted according to future risk factors. In addition, the Compensation and Remuneration Committee of the Company will also perform its duties, regularly review and evaluate the remuneration of directors, and submit the recommendations to the Board of Directors for discussion, in order to balance the company's sustainable operation and risk control.

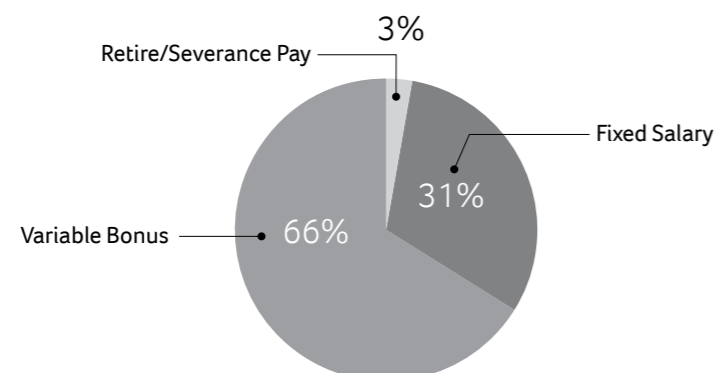
(2) In the past two years, the President and Vice President of the company have been paid

Title	The proportion of the total remuneration of the company in the net profit after tax in 2022	The total remuneration of all companies in the consolidated statement of the Republic of China in 2022 accounted for the proportion of net profit after tax	The proportion of the total remuneration of the company in the net profit after tax in 2023	The total remuneration of all companies in the consolidated statement of the Republic of China in 2023 accounted for the proportion of net profit after tax
President and Vice President	3.10%	7.28%	3.01%	9.32%

1. Remuneration policy, standard and combination

The remuneration paid by the company to managers can be divided into salary, bonus and special payment, plus three types of employee remuneration. Salary is the remuneration referred to in the company law, which is determined based on factors such as job title, overall environment and market standards. Remuneration that reflects work performance; items such as bonuses and special expenses are mainly transportation allowances, which are either a certain amount of transportation allowance or a car purchase allowance.

Employee remuneration is based on the company's articles of association, and after being passed by the remuneration committee and the board of directors, the annual shareholders' meeting report will be submitted according to law.



2. Procedure for setting remuneration

According to Article 20 of Chapter VI of the Company's Articles of Association, if there is profit in the year, more than 4% of the balance should be allocated as employee compensation; the actual distribution ratio and amount of employee compensation are also determined by the board of directors and reported shareholders meeting. The frequency, date and requirements for payment of employee remuneration shall be handled in accordance with the arrangements and procedures proposed in the annual remuneration committee/board of directors report.

3. Link between performance appraisal and remuneration

Employee remuneration is handled in accordance with the company's bonus policy, which covers the achievement of the company's operational goals and personal annual goals. Company goals include financial (such as company revenue, net profit achievement rate) and non-financial indicators (such as professional development and subsidiary operation participation), personal annual goals (such as risk management and annual operation management capabilities) and corporate social responsibility indicators (such as the plan and participation in various corporate social responsibility activities). Based on the above-mentioned results, the ratio and amount of the actual distribution of employee remuneration as decided by the Compensation and Remuneration Committee and the Board of Directors in the first quarter of the following year are highly correlated with the company's operating performance.

4. Correlation between business performance and future risks

The company's managers' remuneration, in addition to reference to the relevant industry standards and the company's past operating performance, the payment standard, structure and system will also be reviewed and adjusted at any time in accordance with the actual operating conditions and changes in relevant laws and regulations, and does not seek to guide managers. Engage in behavior that exceeds the company's risk in return for remuneration. In addition, the remuneration committee of the company will also regularly evaluate the remuneration of managers, and submit the suggestions to the board of directors for discussion, in order to balance the sustainable operation of the company and risk control. In addition, the company has established a risk management committee, which is composed of the top executives of each business unit/functional organization at the headquarters, which is responsible for risk management and reports to the board of directors and the audit committee in order to link business performance with future risk management.

Comparing remunerations paid by the company and all companies in the consolidated statements to the directors, CEO, President and Vice president of the Company in the last two years:

There has been no significant change in the proportion of the total remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, CEO, president and vice president to the net profit after tax in the last two years.

3.3 Corporate Governance Status

3.3.1 Meetings Held by the Board of Directors

The Board of Directors held two meetings from January 1st, 2023, until June 5th, 2023. The record of the Directors' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Chairman	Jason Chen	2	0	100%	
Director	Stan Shih	2	0	100%	
Director	Maverick Shih (Representative of Hung Rouan Investment Corp.)	2	0	100%	
Independent Director	Ching-Hsiang Hsu	1	1	50%	
Independent Director	Ji-Ren Lee	2	0	100%	
Independent Director	Yuri Kure	2	0	100%	

The Board of Directors held five meetings from June 6th, 2023, until December 31st, 2023. The record of the Directors' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Chairman	Jason Chen	5	0	100%	
Director	Stan Shih(Representative of Hung Rouan Investment Corp.)	5	0	100%	
Director	Maverick Shih	5	0	100%	
Independent Director	Ching-Hsiang Hsu	4	1	80%	
Independent Director	Yuri Kure	5	0	100%	
Independent Director	Pan-Chyr Yang	5	0	100%	
Independent Director	Mei-Yueh Ho	5	0	100%	

Other matters that are required to be disclosed:

1. If any of below listed-circumstances of operation of Board Meeting occurs, it's necessary to be disclosure, including dates of board meetings, sessions, the contents of motions, all independent opinions from Independent Directors and the Company's response to such Independent Directors' opinions:

(1) The matters shall be submitted to the board of directors for approval by resolution in accordance with Article 14-3 of the Securities and Exchange Act.

(2) In addition to the above (1) mentioned matters, the matters that any independent director objected or expressed reservations which have been recorded or stated in a written statement.

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director
2023.03.16 First 2023 BOD Meeting	Item I: To report 2022 employees' profit sharing bonus and directors' compensation	V	None
	Item II: To Approve the 2022 Financial Statements and Business Report		None
	Item III: To approve the Acer's Statement of Internal Control System for 2022		None
	Item IV: To Approve the Proposal for Profit & Loss Appropriation of 2021		None
	Item V: To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated		None
	Item VI: To Elect Seven Directors (Including Independent Directors) of the Company		None
	Item VII: To Release Non-Compete Restrictions on Newly-Elected Directors and their		None
	Item VIII: To approve the subsidiary, WINKING ENTERTAINMENT LTD, listing in the overseas stock market	V	None
	Item IX: To approve the issuance of unsecured corporate bond	V	None
	Item X: To Convene the 2023 General Shareholders' Meeting		None
	Item IX: To approve and join the Subsidiary's injection plan to run the business		None
	Item XII: To Set-up or inject the Subsidiaries		None
	Item XIII: To adjust the Investment Framework in EMEA		None
	Item XIV: To change of registration of Zhu Branch's home office		None
	Item XV: To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None
	Item XVI: To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	Item XVII: To Approve the Renewal of the Bank Facilities		None
	Item XVIII: To Approve the Company's Corporate Guarantees	V	None
	Item XIX: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	Item XX: To Elect Members of Functional Committee		None
Item XXI: Proposal of target bonus for the executives	V	None	
The Company's response to Independent Director's Objection or Reservation: N/A			
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.			
2023.05.04 Second 2023 BOD Meeting	Item I: To Approve the First Quarter of FY2023 Consolidated Financial Statements		None
	Item II: To approve the spin-off of branded products marketing business of ASZ as AEG's new set-up branch	V	None
	Item III: To modify and adjust the Investment Framework in EMEA for Business Enhancement	V	None

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director	
2023.05.04 Second 2023 BOD Meeting	Item IV: To Approve the Strategic Investments		None	
	Item V: To join the Subsidiary's injection plan to run the business	V	None	
	Item VI: To approve the acquisition subsidiary's shares to integrate the investment		None	
	Item VII: To approve the disposal of idle assets		None	
	Item VIII: To approve the policies relate to ESG		None	
	Item IX: To Amend The "Internal Control Procedure of Stock Affairs Unit"	V	None	
	Item X: To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None	
	Item XI: To Approve the Renewal of the Bank Facilities		None	
	Item XII: To Approve the Company's Corporate Guarantees	V	None	
	Item XIII: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None	
	Item XIV: Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2022	V	None	
	Item XV: To Propose the Executive Adjustments		None	
	The Company's response to Independent Director's Objection or Reservation: N/A			
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.			
	2023.06.06 Third 2023 BOD Meeting	Item I: To Elect The Chairman of Acer Incorporated		None
Item II: To Elect Members of Each Functional Committee		V	None	
Item III: To approve an industry cooperation and academic feedback mechanism contract with National Taiwan University			None	
Item IV: To Release Non-Compete Restrictions for manager who is acting positions in subsidiaries		V	None	
The Company's response to Independent Director's Objection or Reservation: N/A				
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.				
2023.06.29 Fourth 2023 BOD Meeting	Item I: To acquiring Corporate Bonds issued by bank and to approve the Subsidiaries' Internal Rules	V	None	
	Item II: To Approve the Strategic Investments	V	None	
	Item VI: To injection subsidiary for the purchase on real estate	V	None	
	The Company's response to Independent Director's Objection or Reservation: N/A			
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.				
2023.08.03 Fifth 2023 BOD Meeting	Item I: To Approve the Second Quarter of FY2023 Consolidated Financial Statements	V	None	
	Item II: To Approve the Strategic Investments and the disposal of securities	V	None	
	Item III: To Propose the plan of shareholding diversification of Subsidiaries	V	None	
	Item IV: To Approve the non-assurance services engagement with the law firm which is KPMG network firm.	V	None	
	Item V: To Approve the Amendment of "Regulations Governing the Acquisition and Disposal of Assets" of the Company	V	None	
	Item VI: To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None	
	Item VII: To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None	
	Item VIII: To Approve the Renewal of the Bank Facilities		None	
	Item IX: To Approve the Company's Corporate Guarantees		None	

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director
	Item X: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		
2023.11.02 Sixth 2023 BOD Meeting	Item I: To Approve the Third Quarter of FY2023 Consolidated Financial Statements		None
	Item II: To Approve the 2024 Business Plan		None
	Item III: To Approve the Acer's Annual Audit Plan for 2024		None
	Item IV: To Set-up new abroad Subsidiary		None
	Item VI: To injection subsidiaries and adjust the investment structure		None
	Item VI: To Approve the Strategic Investments		None
	Item IX: Donation of Acer Foundation	V	None
	Item VIII: To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None
	Item IX: To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	Item X: To Approve the Renewal of the Bank Facilities		None
	Item XI: To Approve the Company's Corporate Guarantees	V	None
	Item XII: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	Item XIII: the remuneration to directors of the Year 2024	V	None
	Item XIV: Proposal of target bonus for the executives of the Year 2024	V	None
	Item XV: Proposal of Acer Group Global Salary Increase Proposal of the Year of 2024		None
	Item XVI: Proposal of long term incentive program for the executives of the Year 2024	V	None
Item XVII: To Propose the Executive Adjustments		None	
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		
2023.12.26 Seventh 2023 BOD Meeting	Item I: To adjust the Investment Framework in Taiwan	V	None
	Item II: To invest the Grid energy storage	V	None
	Item III: To invest the shares issued by Enrich Investment Inc. for strategic footprint into AIOT industry	V	None
	Item IV: To Approve the Strategic Investments		None
	Item V: To terminate the joint venture then Smart Frequency Technology Inc. 100% owned by the company.		None
	Item VI: To Adoption of the Company Lending of Capital to others	V	None
	Item VII: To adjust the meal allowance in Taiwan of the Year 2024	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		

2. The Execution Situation of Board Members Abstaining From Discussing and Voting on any Matters Where There is a Conflict of Interest

BOD Meeting Date and Session	Content of Motions	Execution Situation
2023.03.16 First 2023 BOD Meeting	To report 2022 employees' profit sharing bonus and directors' compensation	<ol style="list-style-type: none"> Employee compensation: The chairman consulted all present directors and obtained unanimously approved to this proposal. The independent directors' compensation: To avoid interest conflicts, Independent Director Ching-Hsiang Hsu, Independent Director Ji-Ren Lee and Independent Director Yuri Kure recused themselves from this item in accordance with Article 206 of Company Act. The chairman consulted other present directors and obtained unanimously approved to this proposal. The non-independent directors' compensation: The non-independent directors and directors with second-degree kinship relationships recused themselves from this item in accordance with Article 206 of Company Act, and the Independent Director Ji-Ren Lee, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.
	To Elect Seven Directors (Including Independent Directors) of the Company	<p>After the chairman consulted with all present directors and received unanimous consent, the first section regarding the election seats and terms was approved.</p> <p>After the nominated candidates recused themselves from the subsequent discussion and voting in accordance with Article 206 of Company Act, the proposed candidates were unanimously approved by other present directors. The matter will be submitted to the shareholders' annual meeting for the election process.</p>
	Proposal of target bonus for the executives	<ol style="list-style-type: none"> For the first section with respect to the calculation of the 2022 management target bonuses and the second section with respect to 2023 salary adjustment proposal, Chairman Jason Chen, Director Stan Shih, and Director Maverick Shih recused themselves from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ji-Ren Lee, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal. Regarding the third paragraph as stated in this item concerning the renewal of management contracts and salary proposals, Chairman Jason Chen recused himself from participating in the discussion and voting in accordance with Article 206 of Company Act, and the Independent Director Ji-Ren Lee, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.
2023.05.04 Second 2023 BOD Meeting	Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2022	<p>For the ordinary employee section, the chairman consulted all present directors and obtained unanimously approved to this proposal.</p> <p>For the managerial section, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ji-Ren Lee, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.</p>

BOD Meeting Date and Session	Content of Motions	Execution Situation
2023.11.02 Sixth 2023 BOD Meeting	Donation of Acer Foundation	Chairman Jason Chen and other non-independent directors recused themselves from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ji-Ren Lee, acting as the chairman, consulted other present independent directors and obtained unanimously approved to this proposal.
	The remuneration to directors of the Year 2024	All non-independent directors recused themselves from the discussion and voting in accordance with Article 206 of Company Act. The chairman consulted other present directors and obtained unanimously approved to this proposal.
	Proposal of target bonus for the executives of the Year 2024	Chairman and CEO Jason Chen as listed in the attachment recused himself from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ching-Hsiang Hsu, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.
	Proposal of long term incentive program for the executives of the Year 2024	Chairman and CEO Jason Chen as listed in the attachment recused himself from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ching-Hsiang Hsu, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.
2023.12.26 Seventh 2023 BOD Meeting	To adjust the Investment Framework in Taiwan	Chairman Jason Chen and Director Stan Shih are AMED's directors. Director Maverick and Director Stan Shih are second-degree blood relatives. Therefore, all of them recused themselves from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ching-Hsiang Hsu, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.
	To adjust the meal allowance in Taiwan of the Year 2024	Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from the discussion and voting in accordance with Article 206 of Company Act. Independent Director Ching-Hsiang Hsu, acting as the chairman, consulted other present directors and obtained unanimously approved to this proposal.

3. The list company shall disclose the information to the Board's self-evaluation(or peer-evaluation), and the information includes evaluation frequency, period, scope, measures, items etc.:

The Implement of the Evaluation by the Company's Board

Frequency	Period	Scope	Measures	Items
Annual	2023.01.01-2023.12.31	Board Performance Evaluation	Board's self-evaluation	Board's self-evaluation 1. Degree of participation in the operation of the Company 2. Enhancing the quality of decision making of the Board of Directors
		The Performance Evaluation of the Board of Directors	Directors' self-evaluation	3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal Control
		Functional Committee Performance Evaluation	Peer-Evaluation	Directors' self-evaluation 1. Controlling the target and mission of the Company 2. Acknowledgement of the duties and responsibilities of the directors 3. Degree of participation in the operation of the Company 4. Election and continuing education of directors 5. Election and continuing education of directors 6. Internal Control
				Functional Committees' self-evaluation 1. Degree of participation in the operation of the Company 2. Acknowledgement of the duties and responsibilities of the functional committee 3. Enhancing the quality of decision making of the functional committee 4. Composition and structure of the functional committee 5. Internal Control

4. The Target and Situation Assessment of Strengthening Board of Directors' Functions in current and most recent year:

The Company has established following functional committees to actively strengthen board of director functions and implement good corporate governance through every functional committees' teamwork.

- (1) For the purpose of building sound remuneration system of board of director and officer, the Remuneration Committee was established in August 2011 based on Board resolution in accordance with Taiwan Securities and Exchange Act and relevant Authority' ruling, it consists by three independent directors.
- (2) For the purpose of good corporate governance, the Audit Committee was established in June 2014 after board of director re-election by the shareholders meeting; it consists of all independent directors in accordance with Taiwan Securities and Exchange Act and Company Act.
- (3) For the purpose of previewing the investment, joint venture, M&A regarding new business and other strategic investment, the Investment Committee was established in June 2017 by board resolution in accordance with the Company's Articles of Incorporation; it consists of 5 board of directors, and at least 2 of 5 members shall be independent directors.

"Acer's Corporate Governance Best-Practice Principles" have been amended in 2017 and 2019 to strengthen board of directors' function and duties, and we set up a series of targets to enhance board functions, such as the attendance rate of board meeting, an appropriate policy on diversity of board members, and board of directors' performance evaluation, etc.

The performance assessment result of the Board has been publicly disclosed on Acer Group website in accordance with Acer's "Measures for Performance Evaluation of the Board of Directors" from 2017. For details, please visit: <https://www.acer-group.com>.

3.3.2 Operational Situation of the Audit Committee

The Audit Committee aims to establish a comprehensive oversight responsibility for the Board of Directors, strengthen the management mechanism of the Board, and assist the Board to enhance the performance of corporate governance. The Audit Committee's main duties include assisting the Board to supervise the Company operating the processes of accounting, auditing, and financial reports and the quality and integrity of financial controls.

The Audit Committee's duties shall include:

- Enacting and amending internal control regulations pursuant to Article 14-5 of Securities Exchange Act.
- Assessing the effectiveness of the internal control system
- Adopting or amending procedures governing acquiring or disposing of assets, derivatives trading, lending of capital to Other, or endorsements and guarantees pursuant to Article 36-1 of Securities Exchange Act
- Approving matters bearing on the personal interest of a director
- Approving material asset or derivatives transactions
- Approving material monetary loans, endorsements, or provisions of guarantee
- Approving offerings, issuances, or private placements of any equity-type securities
- Approving the hiring or dismissal of an attesting CPA, or the compensation given thereto
- Approving the appointment or discharge of a financial, accounting, or internal auditing officer
- Approving financial statements
- Legal compliance

- Appeal report
- Enacting plans of preventing fraud and report of fraud investigation
- Being the supervisor of the Company's risk appetizer and strategies
- The performance of the Audit Committee's duties
- Self-questionnaire of the Audit Committee's performance evaluation
- Other material events provided by the Company or competent authority

Pursuant to the law of Taiwan, the Audit Committee shall consist of all independent directors, with which the Company's Audit Committee complies.

To perform the duties, the Company's Audit Committee is entitled to execute any appropriate audit and investigation pursuant to Acer's Article of Incorporation and able to directly communicate with staffs of the Company's internal control department, CPA, and its all employees. The audit committee may also hire or supervise lawyers, accountants, or other counselors to assist to perform its duties.

The audit committee has at least one regular meeting every season. For the attendance rate of each members, please refer to Acer's annual reports.

The Audit Committee held two meetings from January 1st, 2023, until June 5th, 2023. The record of the Members' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Independent Director	Ching-Hsiang Hsu	1	1	50%	
Independent Director	Ji-Ren Lee	2	0	100%	
Independent Director	Yuri Kure	2	0	100%	

The Audit Committee held four meetings from June 6th, 2023, until December 31st, 2023. The record of the Members' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Independent Director	Ching-Hsiang Hsu	4	0	100%	
Independent Director	Yuri Kure	4	0	100%	
Independent Director	Pan-Chyr Yang	4	0	100%	
Independent Director	Mei-Yueh Ho	4	0	100%	

Other matters that are required to be disclosed:

1. If any of below listed-circumstances of operation of Audit Committee occurs, it's necessary to be disclosure, including dates of board meetings, sessions, the contents of motions, Audit Committee's resolution and the Company's response to such Audit Committee's opinions:

- (1) The matters shall be submitted to Audit Committee for approval and then submitted to the Board for approval by resolution in accordance with Article 14-5 of the Securities and Exchange Act.
- (2) In addition to above (1) mentioned matters, any resolution made by over two-third of the board of directors but not approved by Audit Committee.

Audit Committee Meeting Date and Session	Content of Motions	Matters under Article 14-5 of the Taiwan SEA	Resolution made by over two-third of the board of directors but not approved by Audit Committee
2023.03.16 First 2023 Audit Committee Meeting	Item I: To Approve the 2022 Financial Statements and Business Report	V	None
	Item II: To approve the Acer's Statement of Internal Control System for 2022	V	None
	Item III: To Approve the Proposal for Profit & Loss Appropriation of 2021		None
	Item IV: To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated	V	None
	Item V: To approve the subsidiary, WINKING ENTERTAINMENT LTD, listing in the overseas stock market	V	None
	Item VI: To approve the issuance of unsecured corporate bond	V	None
	Item VII: To approve and join the Subsidiary's injection plan to run the business		None
	Item XIII: To adjust the Investment Framework in EMEA		None
	Item IX: To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None
	Item X: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
Decision of Audit Committee: All members of Audit Committee approved the above proposals.			
Handling of the Audit Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Audit Committee.			
2023.05.04 Second 2023 Audit Committee Meeting	Item I: To Approve the First Quarter of FY2023 Consolidated Financial Statements		None
	Item II: To approve the spin-off of branded products marketing business of ASZ as AEG's new set-up branch	V	None
	Item III: To modify and adjust the Investment Framework in EMEA for Business Enhancement	V	None
	Item IV: To Approve the Strategic Investments		None
	Item V: To join the Subsidiary's injection plan to run the business	V	None
	Item VI: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
Decision of Audit Committee: All members of Audit Committee approved the above proposals.			
Handling of the Audit Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Audit Committee.			

Audit Committee Meeting Date and Session	Content of Motions	Matters under Article 14-5 of the Taiwan SEA	Resolution made by over two-third of the board of directors but not approved by Audit Committee
2023.06.29 Third 2023 Audit Committee Meeting	Item I: To acquiring Corporate Bonds issued by bank and to approve the Subsidiaries' Internal Rules	V	None
	Item II: To Approve the Strategic Investments	V	None
	Item III: To injection subsidiary for the purchase on real estate	V	None
	Decision of Audit Committee: All members of Audit Committee approved the above proposals.		
Handling of the Audit Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Audit Committee.			
2023.08.03 Fourth 2023 Audit Committee Meeting	Item I: To Approve the Second Quarter of FY2023 Consolidated Financial Statements		None
	Item II: To Approve the Strategic Investments and the disposal of securities		None
	Item III: To Propose the plan of shareholding diversification of Subsidiaries		None
	Item IV: To Approve the non-assurance services engagement with the law firm which is KPMG network firm.		None
	Item V: To Approve the Amendment of "Regulations Governing the Acquisition and Disposal of Assets" of the Company	V	None
	Item VI: To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None
	Item VII: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
Decision of Audit Committee: All members of Audit Committee approved the above proposals.			
Handling of the Audit Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Audit Committee.			
2023.11.02 Fifth 2023 Audit Committee Meeting	Item I: To Approve the Third Quarter of FY2023 Consolidated Financial Statements		None
	Item II: To Approve the 2024 Business Plan		None
	Item III: To injection subsidiaries and adjust the investment structure		None
	Item IV: To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None
	Item V: To Approve the Company and Worldwide Subsidiaries' Lending of Capital to others and Corporate Guarantees	V	None
Decision of Audit Committee: All members of Audit Committee approved the above proposals.			
Handling of the Audit Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Audit Committee.			
2023.12.26 Sixth 2023 Audit Committee Meeting	Item I: To adjust the Investment Framework in Taiwan	V	None
	Item II: To invest the Grid energy storage	V	None
	Item III: To invest the shares issued by Enrich Investment Inc. for strategic footprint into AIOT industry	V	None
	Decision of Audit Committee: All members of Audit Committee approved the above proposals.		
Handling of the Audit Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Audit Committee.			

2. The Execution Situation of Audit Committee Members Abstaining From Discussing and Voting on any Matters Where There is a Conflict of Interest: None

3. Communication Among Independent Directors and the Company's Chief Internal Auditor and CPAs:

(1) The Company Chief Internal Auditor monthly reports internal audit execution situation to independent directors; and in addition, the Chief Internal Auditor regularly process internal audit report in the quarterly held Audit Committee meeting. She communicates with Audit Committee members about the internal audit results and the improvement; and immediate report will be made to Audit Committee members for special case and circumstances if any.

(2) Audit Committee members and Chief Internal Auditor have good communication, the communication are summarized as below:

Date	Keys of Communication	Communitive Results
2023.03.16	1. FY2022 Internal Audit and Fraud Investigation Report 2. FY2022 Statement of Internal Control System 3. To Approve the Amendments of the Internal Rules	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2023.05.04	1. 2023 Q1 Internal Audit and Fraud Investigation Report 2. The "Internal Control Systems of Shareholder Services Unit" which is one of the Company's Internal Control Systems	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2023.08.03	1. 2023 Q2 Internal Audit and Fraud Investigation Report 2. To Approve the Amendments of the Internal Rules	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2023.11.02	1. 2023 Q3 Internal Audit and Fraud Investigation Report 2. 2024 Annual Audit Plan	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).

(3) The CPAs the Company appointed regularly process audit or reviewing result report in the quarterly held Audit Committee meeting, and the matters to be communicated with independent directors required by laws and regulations. CPAs will immediate report to Audit Committee members for special case and circumstances if any.

(4) Audit Committee members and CPAs have good communication, the communication are summarized as below:

Date	Keys of Communication	Communitive Results
2023.03.16	1. Results of Auditing FY2022 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2023.05.04	1. Results of Reviewing 2023 Q1 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2023.08.03	1. Results of Reviewing 2023 Q2 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2023.11.02	1. Results of Reviewing 2023 Q3 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).

3.3.3 Situation of Supervisor's participation in Board Operation

Not Applicable

3.3.4 Enforcement of Corporate Governance Implemented by the Company and Reasons for Discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has enacted Acer's "Corporate Governance Best-Practice Principles" to establish sound corporate governance systems.	No discrepancy
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has enacted related procedures to handle the shareholders' proposals, disputes and litigations, and designated the Office of Shareholders' Affairs, Investment Relations Unit, and Legal Unit to take care to these issues in accordance with these procedures	No discrepancy
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company holds information on the identities of major shareholders and its ultimately controlling persons.	No discrepancy
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has established the appropriate risk control mechanism and firewalls according to Internal Controlling Systems and related procedures such as rules of supervision over subsidiaries, rules governing endorsement and guarantee, and the rules governing acquisitions and dispositions of assets, etc.	No discrepancy
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company enacted Regulations on Insider Trading to prevent any illegal activities in terms of insider trading. In addition, the Company also stipulates that directors, supervisors (if any), and managers are prohibited from trading the Company's stocks or other equity securities during the thirty days preceding the announcement of annual financial reports and the fifteen days preceding the announcement of quarterly financial reports, until the legal restrictions on insider trading are lifted.	No discrepancy
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy and concrete management target for the composition of its members?	✓		(1) The Company has set the diversity policy of the board of directors by of issued and valid Acer's Corporate Governance Best Practice Principles. As of 2023, the Company has one director aged between 40 and 50, one director aged between 50 and 60, and the remaining directors are all aged 60 or above. There are two female directors, comprising 28.57% of the total, with the rest being male directors. Additionally, there is one director of Japanese nationality, accounting for 14.29% of the total, while the rest are of local nationality.	No discrepancy
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) The Company has set up Audit Committee, Remuneration Committee, and Investment Committee.	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
(3) Does the company establish a standard to measure the performance of the Board, implement it annually, recommend its result to Board of Directors, and make the result as reference of individual directors' remuneration and his renomination?	✓		(3) The Company has formulated rules and procedures for board of directors' performance assessments, and that each year we conduct regularly scheduled performance assessments of the board of directors, and the result of assessments will be offered to Board of Directors, and the result of assessments will be considered for compensation and renomination of each directors.	No discrepancy
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>(4) The annual evaluation by the CPA is one of the main duties of the Audit Committee, and being passed by the Board of Directors meeting. The latest evaluation was approved by the Audit Committee on March 14, 2024, and also approved by the Board of Directors on March 14, 2024.</p> <p>The Board of Directors and Audit Committee comprehensively evaluates the independence of CPA based on CPA's Statement of Independence and items stated in relevant regulations. The important evaluation items are summarized as following:</p> <p>a. Whether the management of the Company will respect objective and challenging audit procedures.</p> <p>b. Whether CPA's non-audit service may affect the independence of CPA's auditing.</p> <p>c. Whether CPA firm enacts independence rules and request the itself, staffs and any other person to keep independence in accordance with the Norm of Professional Ethics for CPA, and prohibit insider trading, misusing internal information or any behavior which the security or capital market may be misleading.</p> <p>d. Whether the CPA mandatory rotation is applied and implemented to the lead auditor and review auditor in accordance with competent regulations.</p> <p>e. Upon obtaining the information on 13 Audit Quality Indicators (AQIs) provided by the accounting firm and "Auditing Committee's Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the regulatory authority, the audit quality of the firm and its audit team were evaluated. The evaluation results are as follows:</p> <ul style="list-style-type: none"> The independence between the Certified Public Accountant and the Company complies with relevant regulations such as the ROC Certified Public Accountant Act, the Norm of Professional Ethics for Certified Public Accountant, and regulations from the US SEC and PCAOB. The Certified Public Accountant appointed by the company have been rotated within the prescribed period. 	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
			<ul style="list-style-type: none"> For AQIs with significant differences compared to the industry average at the accounting firm, the Auditing Committee has obtained explanations for the reasons behind such differences from the firm before March 14th, 2024. If there are areas that need improvement and strengthening, the direction and schedule for improvement have also been confirmed. The committee will continue to monitor the progress of improvements at the next meeting. 	
4. Does a TWSE/TPEX listed company set up a full/part-time corporate governance unit or personnel to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, assisting board of directors and supervisors in compliance with laws and regulations, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?	✓		<p>On May 8th, 2019, Board of Directors has resolved that Acer General Counsel acting as Corporate Governance Officer. Pursuant to "Procedures to Standard Operating Procedures for the Handling of Requests made by Directors" set forth by Acer, the Secretary of Board of Directors is appointed as the agenda working group of Board of Directors and functional committees, and Corporate Governance Officer leads the Company's Global Finance, Legal, Office of Shareholders' Affairs, HR, Corporate Venture and relevant departments to comprise a specific Corporate Governance Team to handle related matters as following summary:</p> <p>a. Developing and designing a competent system to improve transparency, compliance and implementation of internal auditing.</p> <p>b. Handling the affairs of Shareholder's meetings, including but not limited preparing and providing Shareholder's meeting notices, agendas and minutes within the prescribed period.</p> <p>c. Sending the board of directors (including independent directors, Audit Committee and other functional committees) the notice, information and materials which will be discussed in the meeting at least 7 days in advance.</p> <p>d. Providing and updating the status of applicable laws and regulations related to the Company's operation and business to assist the board of directors (including independent director) in compliance.</p>	No discrepancy
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, including but not limited shareholders, employees, customers, and suppliers, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company has established the appropriate communication channels with suppliers, buyers, banks, investors and other stakeholders, including a stakeholders section on our website. Also, the "Stakeholder Grievance Mechanism" has been disclosed on Acer Inc.'s official website (http://www.acer-group.com) and there is a public E-mail Box (Whistleblower.acer@acer.com) handled by a dedicated officer.</p> <p>To regulate Acer's actions after being informed of the ethical or other regulatory violation by any person, Acer has stipulated the procedures dealing with incident reports in the Standard of Business Conduct.</p>	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		✓	The Company's Office of Shareholders' Affairs will take charge in, with the standard which is no less than the one of professional shareholder service agency, the affair of shareholder meeting specifically in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.	The Company's Office of Shareholders' Affairs will take charge in the affair of shareholder meeting specifically.
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has set up Acer Group website (https://www.acer-group.com/ag/en/TW/content/home), both in Mandarin and English, containing the information regarding its finance and operations. The Company also discloses the enforcement of corporate governance in the shareholders' meeting and other institutional investor meetings.	No discrepancy
(2) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(2) The Company has one speaker, one acting speaker and a designated team to be responsible for gathering and disclosing relevant information.	No discrepancy
(3) Does the company announce and declare current annual financial report within 2 months after the close of each fiscal year, and early announce and declare the financial reports of First, Second, Third Quarter and the company's operations of each month within the lawful period?	✓		(3) The Company has announced and declared the first, second and third quarter financial reports and the operation of each month in advance of the legal period. However, the company has a large number of global subsidiaries, which are distributed in different countries, in which the accounting standards and systems are different. Besides, annual reports are not only prepared by ourselves but also audited by accountants. Although it is difficult for the Company to announce and report the annual financial report within two months after the end of the fiscal year, we still completed the announcement and declaration within the period specified in Article 36 of the Securities and Exchange Act.	Only slight gap of the period of announcement and declaration of the annual financial report, the others are all complied with "Corporate Governance Best-Practice Principles".
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>a. he relevant information has been disclosed on Acer Inc.'s official website (https://www.acer-group.com/ag/en/TW/content/home) and the chapter of Sustainable Development in the annual reports.</p> <p>b. The Company has set up an exclusive web site for the new labor pension system containing information for employees regarding to the laws and regulations, and to offer assistance.</p> <p>c. In addition to the training courses required by authorities, the Company also held related training courses for members of the Board.</p> <p>d. The Company has clearly set forth in the rules for the proceedings of Board meetings, that a director shall voluntarily abstain from voting on a proposal involved with his/her own interests.</p> <p>e. The company has four independent directors, accounting for over 50% of the board seats.</p> <p>f. Acer has purchased liability insurance for directors and officers.</p>	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
			<p>g. The Company has actively participated in community or charitable activities, as the content in the chapter of Sustainable Development.</p> <p>h. The company has set the targets and strategies of Green Mission measures such as reduction of Greenhouse Gas and Carbon Emissions, Energy and Water saving etc.</p>	
9. Please indicate the improvement that has been done for the results of the corporate governance evaluation issued by the Center for Corporate Governance of TWSE in the most recent year and provide priority measures for those items that have not yet been improved.				
(1) The company has completed the measures for the item last year as following:				
			The Board of Directors resolved to amend "The Stakeholder Grievance Mechanism" on November 15, 2023, by incorporating the acceptance level of different whistleblowing targets into the handling process. The revised content also specifies the method of retaining relevant records.	
(2) The Company makes the following as the priority measures this year:				
			The company plans to convene the shareholders' annual meeting by the end of May and arrange for a majority of directors and the chairman of the audit committee to attend in person.	

3.3.5 The Establishment and Enforcement of Remuneration Committee

A. From January 1st, 2023, until June 5th, 2023, the remuneration committee had two meetings. The members' qualifications and attendance status are as follows:

Title	Name	Expected Attendance	Attendance in person	By Proxy	Attendance Rate (%)
Chairman	Ji-Ren Lee	2	2	0	100%
Member	Ching-Hsiang Hsu	2	1	1	50%
Member	Yuri Kure	1	1	0	100%

From June 6th, 2023, until December 31st, 2023, the remuneration committee had three meetings. The members' qualifications and attendance status are as follows:

Title	Name	Expected Attendance	Attendance in person	By Proxy	Attendance Rate (%)
Chairman	Pan-Chyr Yang	3	3	0	100%
Member	Ching-Hsiang Hsu	3	3	0	100%
Member	Mei-Yueh Ho	3	3	0	100%

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified

Meeting Date (Session)	Major Resolutions	Matters which was not approved by Remuneration Committee but was approved by two thirds or more of all directors
2023.03.16 First 2023 Remuneration Committee Meeting	2022 Profit Sharing Bonus for Employees and Directors	None
	2023 Annual Compensation Proposal of Corporate Officers	None
	Decision of Remuneration Committee: All members of Remuneration Committee approved the above proposals.	
	Handling of the Remuneration Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Remuneration Committee.	
2023.05.04 Second 2023 Remuneration Committee Meeting	Proposal of 2022 Profit Sharing Bonus Budget Allocation	None
	Corporate Officer Personnel Changes	None
	Decision of Remuneration Committee: All members of Remuneration Committee approved the above proposals.	
	Handling of the Remuneration Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Remuneration Committee.	
2023.08.03 Third 2023 Remuneration Committee Meeting	Remuneration for Directors for 2023	None
	Decision of Remuneration Committee: All members of Remuneration Committee approved the above proposals.	
	Handling of the Remuneration Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Remuneration Committee.	
2023.11.03 Fourth 2023 Remuneration Committee Meeting	Proposal of 2024 MBO Bonus for Corporate Officers	None
	Proposal of 2024 Acer Group Global Merit Increase	None
	Proposal of 2024 Long-Term Incentive Program	None
	Corporate Officer Personnel Changes	None
	Decision of Remuneration Committee: All members of Remuneration Committee approved the above proposals.	
2023.12.26 Fifth 2023 Remuneration Committee Meeting	Handling of the Remuneration Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Remuneration Committee.	
	Proposal of 2024 Acer Taiwan Meal Allowance Adjustment	None
	Decision of Remuneration Committee: All members of Remuneration Committee approved the above proposals.	

B. Responsibilities of the Remuneration Committee

The Acer Inc. "Board of Directors and Supervisors Remuneration Guidelines" and "Executive Remuneration Guideline" are proposed by Remuneration Committee, effective upon the approval of Acer Inc. Board of Directors. The compensation of the Board of Directors is defined in "Acer's Articles of Incorporation". Where there are earnings at the end of the fiscal year after making up the losses of previous years. Then, if any balance left over, no more than 0.8% of profits shall be distributed as profit sharing for the Board of Directors and supervisors according to Acer Inc. "Board of Directors and Supervisors Remuneration Guidelines". Employee Director are not entitled to receive Director profit-sharing.

The remuneration of Acer executive is governed under Acer Group "Executive remuneration guideline". The short-term incentive links to both individual and company overall team performance, while the long-term incentive links to long-term shareholders' value. The annual KPIs, which includes a portion of strategic KPIs assigned by the board whether financial or non-financial, ensures the executive team move on the same direction to reach the strategic goal of the company. Standards of Integrity Management and Business Conduct SIMBC is reminded and confirmed by each executive on the compensation sign back letter each year.

C. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
Independent Director	Pan-Chyr Yang	<p>Dr. Pan-Chyr Yang is currently a professor at the Department of Internal Medicine, College of Medicine, National Taiwan University, and Academician of Academia Sinica. He is also the Vice President of the Institute for Biotechnology and Medicine Industry, and a Juristic-Person Director at Microbio since 2021. Dr. Yang is a world-renowned lung cancer researcher, and has advocated for smart medicine and building a sustainable big-data platform for precision health in recent years.</p> <p>Dr. Yang is a pioneer in his field as he has successfully applied ultrasound technology to the diagnosis of chest diseases. Since the early 2000s, he has conducted advanced research for female lung cancer in Taiwan and his work has been published in various international journals since then. During the pandemic, Dr. Yang and his team developed the ACE2-Fc decoy antibody to block virus infection, with their work being published by EMBO Molecular Medicine.</p> <p>Dr. Yang holds a Ph.D. from the National Taiwan University's Graduate Institute of Clinical Medicine and was appointed President of National Taiwan University from 2013 to 2017. He was a recipient of the 1993 Ten Outstanding Youth Award in Taiwan along with multiple Outstanding Research Awards from the National Science Council.</p> <p>Dr. Yang specializes in consumer staples and healthcare, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Dr. Yang, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Yang, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Yang, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0
Independent Director	Ching-Hsiang Hsu	<p>Since 2009, Dr. Ching-Hsiang Hsu has been Chairman of eMemory Technology Inc., the biggest eNVM IP provider in the world, which he founded in 2000 as its President. In addition he has served on the board of directors at National Applied Research Laboratories (NARLabs) since 2018 and as Executive Director of the Taipei Computer Association since 2010.</p> <p>Prior to founding eMemory, Dr. Hsu spent eight years at Taiwan's National Tsing-Hua University (NTHU) and as Chairman of the Institute of Electrical Engineering from 1998 to 2000, and as Professor of the Department of Electronics Engineering from 1992 to 1998. Dr. Hsu worked at IBM T.J. Watson Research Center in the U.S. as researcher from 1987 to 1992.</p> <p>Dr. Hsu graduated from NTHU with a B.S. in Electrical Engineering and received his M.S. and Ph.D. in Electrical Engineering from the University of Illinois, Urbana-Champaign. Renowned for his extensive research and inventions in Non-Volatile Semiconductor Devices, Dr. Hsu holds over 200 patents and has published 120 papers on semiconductors.</p> <p>Dr. Hsu specializes in information technology and consumer discretionary market, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Dr. Hsu, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Hsu, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Hsu, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	1

Title	Criteria		Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
	Name	Professional Qualification and Experience		
Independent Director	Mei-Yueh Ho	<p>Mei-Yueh Ho is currently a national policy advisor to the President and Chairperson of the Science and Technology Interchange Committee, Taiwan - Japan Relations Association.</p> <p>Ho has worked as a civil servant in Taiwan for over 30 years, with a primary focus on economic affairs and development. She was the Minister of the Ministry of Economic Affairs, Taiwan from 2004 to 2006 and the Chairperson of the Council for Economic Planning and Development, Taiwan from 2007 to May 2008. During her tenure as Chairperson, Ho was involved in the formulation of vital national policies and strategies, including the National Development Plan and the Biotechnology Industry Development Project for Taiwan.</p> <p>After retiring from the government, she has been appointed as an Independent Director of ASE Technology Holding Inc. and Center Laboratories Inc. and a Director of Kinpo Electronics Inc.</p> <p>Ho graduated from National Taiwan University with a bachelor's degree in Agricultural Chemistry (Life Sciences).</p> <p>Ho specializes in materials, industrials, information technology & utilities, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> There is no condition that Ho, her spouse, or her relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Ho, her spouse, and her relative within the second degree of kinship don't hold the Company's share. There is no condition that Ho, her spouse or her relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0
Independent Director (Note)	Ji-Ren Lee	<p>Dr. Ji-Ren Lee has been Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University since 2002, where he was the Executive Director of EMBA Program from 2005-2008.</p> <p>Before his academic career, Dr. Lee worked at Yulon Motor Co. from 1982 to 1983, and with the subsidiary of a Germany-based multinational corporation, Boehringer Ingelheim Taiwan, from 1985 to 1989.</p> <p>Dr. Lee also serves as an Independent Director of E.Sun Financial Holding Company (since 2007), Delta Electronics (since 2016) and Vivotek Inc. (since 2018).</p> <p>Dr. Lee holds a B.E. from National Tsing Hua University, Taiwan; MBA from the National Taiwan University; and Ph.D. from University of Illinois at Urbana-Champaign Illinois, U.S.A. Dr. Lee specializes in consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> There is no condition that Dr. Lee, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Dr. Lee, his spouse, and his relative within the second degree of kinship don't hold the Company's share. There is no condition that Dr. Lee, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	3

Title	Criteria		Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
	Name	Professional Qualification and Experience		
Independent Director (Note)	Yuri Kure	<p>Yuri Kure (Japanese) served in the legal and intellectual property division of a Taiwanese IC design company, before joining Lee and Li Attorneys-at-Law from 2013 to 2018, where she was responsible for providing legal consultation services for clients in the technology, medical and financial sectors. She handled cases for world-class Taiwanese and Japanese enterprises involving international investments, joint ventures, and mergers, while also supporting technology disputes and IP related cases.</p> <p>While she was a member of the Japan Chamber of Commerce and Industry, she hosted speeches for seminars related to international mergers and investments for the Japan-Taiwan Exchange Association and JETRO.</p> <p>Yuri Kure is experienced in legal studies, and has a bachelor of law from the Soka University in Japan, and a masters degree in law from National Taiwan University.</p> <p>Yuri Kure specializes in in commercial & professional (legal) services</p>	<ol style="list-style-type: none"> There is no condition that Yuri Kure, her spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Yuri Kure, her spouse, and her relative within the second degree of kinship don't hold the Company's share. There is no condition that Yuri Kure, her spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0

Note: The Company has re-elected all director in June 2023 because of the expiry of the term of office.

3.3.6 Other Functional Committees

3.3.6.1 Investment Committee

1. The Company's Investment Committee consists of five members, including three independent directors.

2. The major duties of Investment Committee are as follows:

- To review the investment, establishment, merger (including merger, acquisition, and division), joint venture, and/or internal entrepreneurship of new businesses. The approved investment proposals will be submitted to the Board of Directors for discussion. However, if the investment structure of the existing core business and related subsidiaries is adjusted or proceeds capital increase/decrease due to business needs, changes in laws and regulations, or changes in tax environment, without substantially changing the comprehensive shareholding ratio of the Company, it is not subject to the limitation but shall still be handled in accordance with "Procedures for Acquiring or Disposing of Assets".
- To review strategic investment proposals, joint ventures with others. The approved investment proposals will be submitted to the Board of Directors for discussion.
- To review dispositions of investments made under items 1 and 2. The approved proposals will be submitted to the Board of Directors for discussion.
- If a proposal passed by the Investment Committee constitutes a significant matter subject to Audit Committee Charter, the proposal must be discussed by the Audit Committee before being submitted to the Board of Directors for discussion.
- To execute relevant ancillary matters as determined by the Board of Directors, and report the results of the execution and other relevant matters to the Board of Directors.

3. Investment Committee Status

From January 1st, 2023, until June 5th, 2023, the Investment Committee had one meeting. The members' qualifications and attendance status are as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (%)	Note and Related Field of Expertise
Acting Chairman	Ji-Ren Lee	1	0	100%	Independent Director; Specialty in organizational management strategy, strategic investment and start-up business development sectors
Member	Yuri Kure	1	0	100%	Independent Director; Specialty in commercial & professional (legal) services sectors
Member	Jason Chen	1	0	100%	Specialty in global marketing, semiconductor and enterprise transformation sectors
Member	Stan Shih	1	0	100%	Specialty in global marketing, start-up business, enterprise transformation, society and culture sectors

Note: The Chairman of Investment Committee, San-Cheng Chang, has resigned.

From June 6th, 2023, until December 31st, 2023, the Investment Committee had three meetings. The members' qualifications and attendance status are as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (%)	Note and Related Field of Expertise
Chairman	Mei-Yueh Ho	3	0	100%	Independent Director; specialty in commercial, industrial development and technology innovation sectors.
Member	Ching-Hsiang Hsu	2	0	67%	Independent Director; specialty in semiconductor and global marketing, strategic investment and start-up business sectors.
Member	Yuri Kure	3	0	100%	Independent Director; Specialty in commercial & professional (legal) services sectors
Member	Jason Chen	3	0	100%	Specialty in global marketing, semiconductor and enterprise transformation sectors
Member	Stan Shih	3	0	100%	Specialty in global marketing, start-up business, enterprise transformation, society and culture sectors

3.3.6.2 Risk Management Committee

The Committee was established on March 16th, 2022 by board and audit committee resolutions in accordance. In order to practice the vision of sustainable development of the enterprise and strengthen the construction of a corporate culture with risk awareness, the Committee was approved on June 6th, 2023 by board resolution in accordance with the Company's Articles of Incorporation. It also becomes to the functional committee under the Board.

The Committee shall consist of five or more directors, among three members be independent director.

1. The major duties of Risk Management Committee are as follows:

- The Committee and its members shall exercise due care as prudent managers to review and provide guidance on the reports and proposals of the Risk Management Execution Committee and the Risk Management Unit; To review and decide on risk management policies, procedures and frameworks, and periodically assess its appropriateness and effectiveness of implementation:
- To approve risk appetite (risk tolerance) and endorse or guide the allocation of resources proposed by the Risk Management Execution Committee and the Risk Management Unit
- To oversee that the risk management mechanisms adequately address the risks faced by the Company and integrate them into the daily operational processes
- To determine the priority and risk levels for risk control
- To review the implementation of risk management and provide necessary improvement recommendations, reporting to the board of directors on a regular basis (at least once a year)
- To execute risk management decisions made by the board of director

2. From January 1st, 2023, until June 5th, 2023, the Risk Management Committee (Non-functional Committee) had two meetings. Meeting Date, Content of Motion and Result:

Meeting Date (Session)	Content of Motion	Matters not approved by Risk Management Committee but approved by two thirds or more of all directors
2023.02.16 First 2023 Meeting	To report the execution of Risk Management Committee	None
	To review the risk map	None
	To set-up key risk indicator (KRI)	None
	Decision of Risk Management Committee: All members of Risk Management Committee approved the above proposals. Handling of the Risk Management Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Risk Management Committee.	
2023.04.20 Second 2023 Meeting	To report the execution of Risk Management Committee	None
	To share the cases of risk identification and risk management actions	None
	Decision of Risk Management Committee: All members of Risk Management Committee approved the above proposals. Handling of the Risk Management Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Risk Management Committee.	
	Decision of Risk Management Committee: All members of Risk Management Committee approved the above proposals. Handling of the Risk Management Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Risk Management Committee.	

3. From June 6th, 2023, until December 31st, 2023, the Risk Management Committee had two meetings. The members' qualifications and attendance status are as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (%)	Note and Related Field of Expertise
Chairman	Yuri Kure	2	0	100%	Independent Director; Specialty in commercial & professional (legal) services sectors
Member	Pan-Chyr Yang	2	0	100%	Independent Director; Specialty in Consumer Staples & Healthcare sectors
Member	Mei-Yueh Ho	2	0	100%	Independent Director; Specialty in Materials, Industrials, Information Technology & Utilities sectors
Member	Jason Chen	1	1	50%	Specialty in global marketing, semiconductor and enterprise transformation sectors
Member	Maverick Shih	2	0	100%	Specialty in the information technology sector

4. Meeting Date, Content of Motion and Result:

Meeting Date (Session)	Content of Motion	Matters not approved by Risk Management Committee but approved by two thirds or more of all directors
2023.08.03 First 2023 Meeting	To report the execution of Risk Management Committee	None
	To report the Information disclosure of Cybersecurity Management	None
	To report Carbon Disclosure, TCFD, Stakeholder Engagement of Acer Group	None
	To Approve the Amendments of the Internal Rules related to Risk Management Policy and Procedures	None
	Decision of Risk Management Committee: All members of Risk Management Committee approved the above proposals. Handling of the Risk Management Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Risk Management Committee.	
2023.11.02 Second 2023 Meeting	To report the execution of Risk Management Committee	None
	To report TCFD project of Acer Group	None
	To approve the annual risk assessment result (risk radar) and risk matrix	None
	Decision of Risk Management Committee: All members of Risk Management Committee approved the above proposals. Handling of the Risk Management Committee's Opinion by the Company: All directors attended the board meeting unanimously agreed to pass the proposal and opinions submitted by the Risk Management Committee.	

3.3.7 Code of Ethics and Business Conduct

As good corporate citizens Acer Group respect human rights, local communities and compliance with laws, environment, ethics, safety standards, regulations and social norms. Based on our core values of "Serve with honor and work with pride", we have formulated a Standards of Integrity Management and Business Conduct (SIMBC) document to guide us on how we interact with each other, our customers, our business partners, our shareholders and the communities where the Acer Group does business. This is done every day in every decision and every action by each one of us. We continue to build on our reputation for trust, integrity and honesty, both internally and externally, by appreciating people, their diversities and cultures.

You are welcome to visit Acer Group website (<http://www.acer-group.com>) for the details of our "Standards of Integrity Management & Business Conduct."

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Has the Company formulated a Board-approved policy related to code of ethics and business Conduct? Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the top management team demonstrated their commitments to implement the policies?</p> <p>(2) Has the company established any evaluation system for analyzing its business activities periodically to avoid unethical conducts, and strengthen the preventive measures, when establishing appropriate preventive measures at least against the acts listed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or other higher potential unethical conducts in the relevant policies?</p>	<p>✓</p> <p>✓</p>		<p>(1) Integrity is the most important core value of Acer's culture. The Board of Directors and the management team are dedicated to enforcing the Company's guideline on corporate conduct and ethics. Apart from a series policies related to business integrity, including "Anti-Bribery and Anti-Corruption Policy", "Regulations on Insider Trading", "Export Compliance Policy", "Antitrust and Fair Competition Guidelines", "Group Personal Data Protection Management Policy", the Board of Directors approved "Standards of Integrity Management & Business Conduct" on March 16, 2022.</p> <p>(2) As above-mentioned, Acer formulated and promulgated "Standards of Integrity Management & Business Conduct" and a series policies related to business integrity. Furthermore, Acer established the Integrity Management Promotion Working Group in 2022. The Integrity Management Promotion Working Group uses risk mapping to assess potential threats to the Company's future operations based on the likelihood of various risks and the extent of the damage were they to occur, classifying the risks and ensuring proper prioritization of risk management strategies. At the same time, we use sensitivity analysis and stress testing to undertake further regularly quantitative analysis of relatively high risk business activities in the scope of Acer business, and aggregates the results of these analyses and tests, then drafting follow-up action plans. The assessed items, content and preventive measures have exceeded the relevant provisions of Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>	<p>No discrepancy</p> <p>No discrepancy</p>

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
<p>(3) Has the company established relevant policies for preventing any unethical conduct? Are the implementation of the relevant procedures, guidelines and training mechanism provided in the policies and review the abovementioned policies regularly?</p>	<p>✓</p>		<p>(3) As above-mentioned, Acer has formulated and promulgated Standards of Integrity Management & Business Conduct" and a series policies related to business integrity. The plan to prevent unethical conducts, including normative measures and cycles under the internal control systems; also, there are relevant regulations for the disciplinary and appeal system for employee violations. Furthermore, we arrange new employee orientation and on-the-job training for our employees to prevent any unethical conduct. Most importantly, our Internal Audit Unit would conduct regular audits to raise overall awareness, detect potential misconduct and monitor the procedures compliance, then review the abovementioned policies regularly.</p>	<p>No discrepancy</p>
<p>2. Corporate Conduct and Ethics Compliance Practice</p> <p>(1) Has the company conducted investigation regarding unethical records with whomever the Company doing business with, and included business conduct and ethics related clauses in the business contracts?</p> <p>(2) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and the dedicated unit shall report to the board regularly (at least once every year)?</p> <p>(3) Has the Company established policies to prevent conflicts of interest and provided appropriate communication and complaint channels?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) To avoid transactions with those with unethical records, all business activities in Acer will be conducted by the operation department to review and evaluation of current and potential business partners, and the Legal Unit will review the contracts. Acer will request its Business Partners to enter into a "VENDOR'S LETTER OF DECLARATION" or other documents related to compliance to ensure honesty and integrity in all dealings with or on behalf of Acer. Acer also remind or request appropriate business partners to comply affirm with their compliance with this policy by sending email every year.</p> <p>(2) Acer Group has committed ourselves to meeting high standards of law and ethics compliance to carry out our business. The management is required to establish a paragon of placing a high value of corporate conduct and ethics. Acer's corporate governance officer is the chief of Integrity Management Promotion Working Group, in charge of formulating integrity management policy and the relevant measures and supervision, and reports to the Board of Directors at least once a year.</p> <p>Up to the date of this Annual Report published, no severe violation is found.</p> <p>(3) We have enacted "Standards of Integrity Management & Business Conduct", "Anti-Bribery and Anti-Corruption Policy", "Acer's Corporate Governance Best-Practice Principles" and "Regulations Governing Procedure for Board of Directors Meetings" to prevent the conflicts of interest and provide whistleblower mailbox on our website (http://www.acer-group.com/public/Investor_Relations/corporate.htm).</p>	<p>No discrepancy</p> <p>No discrepancy</p> <p>No discrepancy</p>

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy																		
	Yes	No	Summary																			
(4) Has the Company established effective accounting and internal control systems for the implementation of policies? Besides, has the Company appointed internal auditor to draw up an audit plan based on the risk assessment for preventing from the unethical behaviors, or assigned CPA to audit?	✓		(4) All the implementation of our accounting system, internal control system, and anti-corruption and anti-bribery policies will be part of the risk assessment process. The Internal Audit Unit will perform such execution and compliance according to the annual audit plan, and further entrusting external CPA to carry out an audit.	No discrepancy																		
(5) Does the Company provide training regarding ethic compliance practice regularly?	✓		<p>(5) Internally, "Standards of Integrity Management & Business Conduct SIMBC" instructs all employees how to do their business practices. Every newly coming staff would be requested to attend internal SIMBC training, and Acer has regularly held online anti-corruption and anti-bribery courses arranged by HR unit for current staffs.</p> <p>Externally, we will enhance propagating Acer's anti-bribery policy and the integrity management policy and encourage our business partners' compliance by every gathering or opportunity, such as the annual Acer supplier conference, agents and distributor conferences.</p> <p>The training regarding ethic compliance practice provided by the Company in 2023 are as follow:</p> <table border="1"> <thead> <tr> <th>Course Name</th> <th>Target Audience</th> <th>Number of Participants</th> </tr> </thead> <tbody> <tr> <td>Anti-Bribery, Anti-Corruption, and Employee Code of Conduct</td> <td></td> <td>7,353</td> </tr> <tr> <td>Prevention of Workplace Misconduct</td> <td></td> <td>4,104</td> </tr> <tr> <td>Protection of Personal Data (Also reiterated in the Information Security Awareness Online Course, emphasizing the relationship between personal data and information systems)</td> <td></td> <td>10,158</td> </tr> <tr> <td>Respect for Intellectual Property (Taiwan Regulations)</td> <td></td> <td>1,732</td> </tr> <tr> <td>Prohibition of Insider Trading (Taiwan Regulations)</td> <td></td> <td>1,186</td> </tr> </tbody> </table>	Course Name	Target Audience	Number of Participants	Anti-Bribery, Anti-Corruption, and Employee Code of Conduct		7,353	Prevention of Workplace Misconduct		4,104	Protection of Personal Data (Also reiterated in the Information Security Awareness Online Course, emphasizing the relationship between personal data and information systems)		10,158	Respect for Intellectual Property (Taiwan Regulations)		1,732	Prohibition of Insider Trading (Taiwan Regulations)		1,186	No discrepancy
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Prohibition of Insider Trading (Taiwan Regulations)		1,186																				
3. Channels for reporting any ethical irregularities																						
(1) Has the Company established policy and channels in terms of reporting ethical irregularities and designated competent personnel to handle such matters?	✓		(1) We have established specific channels in terms of reporting ethical irregularities in "Standards of Integrity Management & Business Conduct SIMBC" and "Anti-bribery and anti-corruption policy". Acer has specific reporting systems both in its "Standards of Integrity Management and Business Conduct SIMBC" and "Anti-corruption and Anti-bribery Policy". In addition, Acer provides a whistleblower mailbox (Whistleblower.acer@acer.com) on our website for people to report any threats of involvement of fraudulence, corruption, violation of Acer's Standards of Integrity Management & Business Conduct, any illegal conducts or conducts violated corporate governance by Acer employee. The Internal Audit Unit, which functions directly under the board of directors, will handle the report exclusively.	No discrepancy																		

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
(2) Has the Company established policy and security mechanisms regarding the procedures for responding to the reports of ethical irregularities, follow-up measures after the investigation is completed, and related confidentiality mechanisms?	✓		(2) Acer has further established the "Stakeholder Grievance Mechanism" which details the standard operating procedures and security mechanisms regarding responding to the reports of ethical irregularities, and announced it on acer group's website.	No discrepancy
(3) Has the Company established measures to protect the identity of the informer?	✓		(3) The "Stakeholder Grievance Mechanism" specified that we have to take measures to protect the identity of the informant.	No discrepancy
4. Information Disclosure				
Has the Company published information relating to the Company's corporate conduct and ethics on its website or Market Observation Post System?	✓		Acer has published information relating to the Standards of Integrity Management & Business Conduct on our website (www.acer-group.com) and Market Observation Post System, and disclosed the relevant promotion results in this annual report.	No discrepancy
5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: No discrepancy				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., promote and demonstrate the company's commitment to ethical standard and provide training to its business partners; review the company's corporate conduct and ethics policy).				
For details on the implementation of Acer's Corporate Conduct and Ethics, please refer to "Acer's Corporate Governance Best-Practice Principles".				

3.3.8 Disclosure to the Company's Corporate Governance Principles

The Company has enacted "Corporate Governance Best-Practice Principles" and related internal rules. You are welcome to visit Acer Group website (<http://www.acer-group.com>) and Mops (<http://mops.twse.com.tw>)

3.3.9 Any other information would enhance the understanding of the Company's implementation of corporate governance

Board of Directors Training Status

Training Time		Sponsoring Organization	Course	Training Hours	Training Participants (Board of Directors)
From	To				
2023.02.16	2023.02.16	Taiwan Corporate Governance Association	Introduction to TCFD and Analysis of Benchmark Cases	1	Stan Shih
2023.03.16	2023.03.16	Taiwan Corporate Governance Association	Global Economic Overview for 2023	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Yuri Kure
2023.03.30	2023.03.30	Taiwan Corporate Governance Association	Governance and Strategic Practices for Climate, and Carbon Reduction Trends in the Financial Industry	1	Stan Shih
2023.04.27	2023.04.27	Taiwan Corporate Governance Association	Climate Scenario Analysis and Stress Testing	1	Stan Shih
2023.05.04	2023.05.04	Taiwan Corporate Governance Association	Global Future Risks and Sustainable Transformation Opportunities	1.5	Jason Chen, Stan Shih, Maverick Shih, Yuri Kure
2023.08.03	2023.08.03	Taiwan Corporate Governance Association	Practices of Corporate ESG Sustainability Trends and Recent Regulatory Developments	1.5	Jason Chen, Maverick Shih, Ching-Hsiang Hsu, Yuri Kure, Pan-Chyr Yang, Mei-Yueh Ho
2023.08.24	2023.08.24	Taiwan Corporate Governance Association	Securities Regulations and Corporate Governance	3	Jason Chen, Yuri Kure, Pan-Chyr Yang
2023.08.25	2023.08.25	Taiwan Corporate Governance Association	Killer Applications in the Big Data/ Artificial Intelligence and Robot Era: Advantages and Disadvantages of Generative AI	3	Maverick Shih, Yuri Kure, Pan-Chyr Yang
2023.08.25	2023.08.25	Taiwan Corporate Governance Association	Analysis on Global Economic and Financial Market's Current Status and Future	3	Maverick Shih, Ching-Hsiang Hsu, Yuri Kure, Mei-Yueh Ho
2023.10.12	2023.10.12	Taiwan Corporate Governance Association	Development Trends in the Semiconductor Industry under Global Changes	3	Mei-Yueh Ho

The Implement and continuous education of Chief Corporate Governance Officer

The Company has assigned the General Council, Lydia Wu, as Chief Corporate Governance Officer pursuant to the board resolution dated May 8th, 2019. Lydia Wu may lead the corporate governance unit to handle the corporate governance affairs and execute the following items:

The main duties and responsibilities:

1. Handling matters relating to Board, functional committees and shareholding meetings in accordance with applicable regulations;
2. Taking charge in minutes of Board, functional committees and shareholding meetings, and relevant affairs of the meetings;
3. Assisting in onboarding and continuous development of directors and managers, and providing the necessary information and materials;

4. Assisting directors and managers with legal compliance;
5. Assisting to accomplish the responsibilities of Board and directors according to laws and the Company's Article of Incorporation; and
6. Establishing and supervising the implementation of the ethical corporate management policies and prevention programs and reporting the execution situations to the board of directors on a regular basis (at least once a year).

The Implement to the Corporate Governance Matters of 2023:

1. Assisting the Independent Directors and directors to accomplish his/her responsibilities, providing the must materials and arrange the continuous education of directors:
 - (1) Providing directors the reversion to the laws and regulations of corporate governance matters;
 - (2) Handling and providing members of meetings the substantial meeting materials, adequate and timely information, and administrative assistances; and
 - (3) Arranging the independent directors to meet the CPA for figuring out the finance and business status of the Company; assisting directors (including independent directors) to communicate with internal chief audit officer for the matters of internal control.
2. Assisting the procedures and resolutions of the Board and Shareholders' meetings with legal compliance:
 - (1) Reporting to the implement of the relevant corporate governance affairs to the Board, independent directors and members of Audit Committee;
 - (2) Ensuring all the procedures of shareholding and Board meetings in accordance with relevant laws and the guidance of corporate governance;
 - (3) Assisting and reminding the directors to comply with laws when executing business or reaching a resolutions of Board meetings; and
 - (4) Reviewing that the resolutions whether applying to the public announce requirements, ensuring the announcement is legally and accurate to protect the investors using these information to their transactions.
3. Responsible to issue the notice and provide necessary materials 7 days prior to the date of Board meeting, notifying the interest conflicts to the proposed items in advance, and producing the meeting minutes within 20 days after the Board meeting.
4. Urging to arrange and register the date of shareholder meetings in advance, producing the meeting notices, agenda, minutes, and registration to the reversion of the Company Article of Incorporation within statutory period.

The Continuous Education of Chief Corporate Governance Officer on 2023

Institute	Name of Courses	Date	Period
Taiwan Corporate Governance Association	Global Future Risks and Sustainable Transformation Opportunities	2023.05.04	1.5 hours
Taiwan Corporate Governance Association	Practices of Corporate ESG Sustainability Trends and Recent Regulatory Developments	2023.08.03	1.5 hours
The Institute of Internal Auditors-Chinese Taiwan	Financial Planning and Supervisory Audit Practices for Group Enterprises (Including Overseas Investment Entities)	2023.08.15	6 hours
Taiwan Corporate Governance Association	Securities Regulations and Corporate Governance	2023.08.24	3 hours
Taiwan Corporate Governance Association	Analysis on Global Economic and Financial Market's Current Status and Future	2023.08.25	3 hours
Taiwan Corporate Governance Association	Killer Applications in the Big Data/ Artificial Intelligence and Robot Era: Advantages and Disadvantages of Generative AI	2023.08.25	3 hours

3.3.10 Statement of Internal Control System

3.3.10.1 A Statement on Internal Control

Date: March 14, 2024

Based on the findings of a self-assessment, Acer Incorporated (hereinafter, the “Company”) states the following with regard to its internal control system during year 2023:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and managers. The Company has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safe-guarding of assets), (2) reliability, timeliness, transparency, and regulatory compliance of reporting, and (3) compliance with applicable laws, regulations and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and the Company promptly takes corrective actions whenever a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter, the “Regulations”). The criteria adopted by the Regulations identify five constituent elements of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each constituent element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that, as of December 31, 2023, its internal control system (including its supervision of subsidiaries), was effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be an essential content of the Company’s Annual Report for the year 2023 and Prospectus and will be publicly disclosed. Any false-hood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchanged Act.
7. This Statement has been passed by the Board of Directors in their meeting held on March 14, 2024, with 0 of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Acer Incorporated

President

Chairman

3.3.10.2 Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report

None

3.3.11 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements

None

3.3.12 Resolutions of the Board of Directors' Meeting and the General Shareholders' Meeting

Resolutions of the Board of Directors' Meeting

Date	Meeting	Major Resolutions
2023.03.16	First 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To report 2022 employees' profit sharing bonus and directors' compensation Item II: To Approve the 2022 Financial Statements and Business Report Item III: To approve the Acer's Statement of Internal Control System for 2022 Item IV: To Approve the Proposal for Profit & Loss Appropriation of 2021 Item V: To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated Item VI: To Elect Seven Directors (Including Independent Directors) of the Company Item VII: To Release Non-Compete Restrictions on Newly-Elected Directors and their Item VIII: To approve the subsidiary, WINKING ENTERTAINMENT LTD, listing in the overseas stock market Item IX: To approve the issuance of unsecured corporate bond Item X: To Convene the 2023 General Shareholders' Meeting Item IX: To approve and join the Subsidiary's injection plan to run the business Item XII: To Set-up or inject the Subsidiaries Item XIII: To adjust the Investment Framework in EMEA Item XIV: To change of registration of Zhu Branch's home office Item XV: To Approve the Amendments of the Company and Subsidiaries' Internal Rules Item XVI: To Approve the Acquiring or Disposing of ROU Assets in the Group Item XVII: To Approve the Renewal of the Bank Facilities Item XVIII: To Approve the Company's Corporate Guarantees Item XIX: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others Item XX: To Elect Members of Functional Committee Item XXI: Proposal of target bonus for the executives
2023.05.04	Second 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To Approve the First Quarter of FY2023 Consolidated Financial Statements Item II: To approve the spin-off of branded products marketing business of ASZ as AEG's new set-up branch Item III: To modify and adjust the Investment Framework in EMEA for Business Enhancement Item IV: To Approve the Strategic Investments Item V: To join the Subsidiary's injection plan to run the business Item VI: To approve the acquisition subsidiary's shares to integrate the investment Item VII: To approve the disposal of idle assets Item VIII: To approve the policies relate to ESG Item IX: To Amend The "Internal Control Procedure of Stock Affairs Unit" Item X: To Approve the Acquiring or Disposing of ROU Assets in the Group Item XI: To Approve the Renewal of the Bank Facilities Item XII: To Approve the Company's Corporate Guarantees Item XIII : To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others Item XIV: Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2022 Item XV: To Propose the Executive Adjustments

Date	Meeting	Major Resolutions
2023.06.06	Third 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To Elect The Chairman of Acer Incorporated Item II: To Elect Members of Each Functional Committee Item III: To approve an industry cooperation and academic feedback mechanism contract with National Taiwan University Item IV: To Release Non-Compete Restrictions for manager who is acting positions in subsidiaries
2023.06.29	Fourth 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To acquiring Corporate Bonds issued by bank and to approve the Subsidiaries' Internal Rules Item II: To Approve the Strategic Investments Item VI: To injection subsidiary for the purchase on real estate
2023.08.03	Fifth 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To Approve the Second Quarter of FY2023 Consolidated Financial Statements Item II: To Approve the Strategic Investments and the disposal of securities Item III: To Propose the plan of shareholding diversification of Subsidiaries Item IV: To Approve the non-assurance services engagement with the law firm which is KPMG network firm. Item V: To Approve the Amendment of "Regulations Governing the Acquisition and Disposal of Assets" of the Company Item VI: To Approve the Amendments of the Company and Subsidiaries' Internal Rules Item VII: To Approve the Acquiring or Disposing of ROU Assets in the Group Item VIII: To Approve the Renewal of the Bank Facilities Item IX: To Approve the Company's Corporate Guarantees Item X: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others
2023.11.02	Sixth 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To Approve the Third Quarter of FY2023 Consolidated Financial Statements Item II: To Approve the 2024 Business Plan Item III: To Approve the Acer's Annual Audit Plan for 2024 Item IV: To Set-up new abroad Subsidiary Item VI: To injection subsidiaries and adjust the investment structure Item VI: To Approve the Strategic Investments Item IX: Donation of Acer Foundation Item VIII: To Approve the Amendments of the Company and Subsidiaries' Internal Rules Item IX: To Approve the Acquiring or Disposing of ROU Assets in the Group Item X: To Approve the Renewal of the Bank Facilities Item XI: To Approve the Company's Corporate Guarantees Item XII: To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others Item XIII: The remuneration to directors of the Year 2024 Item XIV: Proposal of target bonus for the executives of the Year 2024 Item XV: Proposal of Acer Group Global Salary Increase Proposal of the Year of 2024 Item XVI: Proposal of long term incentive program for the executives of the Year 2024 Item XVII: To Propose the Executive Adjustments
2023.12.26	Seventh 2023 BOD Meeting	<ul style="list-style-type: none"> Item I: To adjust the Investment Framework in Taiwan Item II: To invest the Grid energy storage Item III: To invest the shares issued by Enrich Investment Inc. for strategic footprint into AIOT industry Item IV: To Approve the Strategic Investments Item V: To terminate the joint venture then Smart Frequency Technology Inc. 100% owned by the company. Item VI: To Adoption of the Company Lending of Capital to others Item VII: To adjust the meal allowance in Taiwan of the Year 2024

Implementation of Resolutions in 2023 General Shareholders' Meeting

Major Resolutions	Carries out the Situation
1. Ratification Proposal of the Financial Statements, Business Report and Profit Distribution Statement for the Year 2022	To set July 7, 2023 and August 3, 2023 as the record date and the distribution date of ex-dividend respectively. (Distribution ratio for cash dividend : NT\$1.5 per share)
2. To Approve the listing application of the Company's subsidiary, WINKING ENTERTAINMENT LTD, on the overseas stock market	The shareholder resolution was adopted and approved as proposed.
3. To Release Non-Compete Restrictions on Newly-Elected Directors and their Representatives	The shareholder resolution was adopted and approved as proposed.

3.3.13 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof

None

3.3.14 Summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, chief corporate governance officer and principal research and development officer

Title	Name	Arrival Date	Dismissal Date	Reason for Resignation or Dismissal
CTO	RC Chang	2015.09.01	2024.01.01	Retired

3.4 Information Regarding the Company's Audit Fee and Independence

3.4.1 Audit Fee

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Note
KPMG	Shih, Wei Ming Kao, Ching Wen	01/01/2023 –12/31/2023	22,997	3,856	26,853	

Note: The fees were mainly related to sustainability and tax compliance audit, etc.

3.4.1.1 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed

None

3.4.1.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed

None

3.5 Information on replacement of certified public accountant

The Company changed its certified public accountant (CPA) for internal adjustments within the attesting accounting firm in accordance with applicable laws in 2023.

3.6 The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm

None

3.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2023		As of April 2, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CEO	Jason Chen	0	0	0	0
Director	Hung Rouan Investment Corp.	0	0	0	0
Legal Representative of Director	Stan Shih (Representative of Hung Rouan Investment Corp.)	0	0	0	0
Director	Maverick Shih (Representative of Hung Rouan Investment Corp.)	0	0	0	0
Independent Director	Ching-Hsiang Hsu	0	0	0	0
Independent Director	Yuri Kure	0	0	0	0
Independent Director (Note 1)	Pan-Chyr Yang	0	0	0	0
Independent Director (Note 1)	Mei-Yueh Ho	0	0	0	0
Independent Director (Note 2)	Ji-Ren Lee	0	0	0	0
Corp. President	Victor Chien	(644,500)	0	0	0
Corp.VP & President	Emmanuel Fromont	250,000	0	0	0
COO	Jerry Kao	134,000	0	0	0
President	Gregg Prendergast	193,000	0	0	0
President	Andrew Hou	100,000	0	0	0
Corp. Governance Officer	Lydia Wu	95,000	0	0	0
Corp. CFO	Meggy Chen	102,000	0	0	0
Accounting Officer	Sophia Chen	64,000	0	(8,000)	0
Co-COO (Note 2)	Tiffany Huang	0	0	0	0
CTO (Note 2)	RC Chang	0	0	0	0

Note 1: Pan-Chyr Yang and Mei-Yueh Ho assumed position on 2023.06.06.

Note 2: Ji-Ren Lee resigned on 2023.06.06, Tiffany Huang resigned on 2023.05.04 and RC Chang resigned on 2024.01.01.

Shares Trading information

None

Shares Pledge information

None

3.8 Relationship among the Top Ten Shareholders (April 2, 2024)

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Yuanta/P-shares Taiwan Dividend Plus ETF	143,959,276	4.72%	0	0.00%	0	0.00%	-	-	-
Hung Rouan Investment Corp. Representative: Carolyn Yeh	73,629,933 399,225	2.42% 0.01%	0 34,989,531	0.00% 1.15%	0 0	0.00% 0.00%	Stan Shih	The spouse of this company's Chairman	-
Fuh Hwa Taiwan Technology Dividend Highlight ETF	73,077,000	2.40%	0	0.00%	0	0.00%	-	-	-
Stan Shih	34,989,531	1.15%	399,225	0.01%	0	0.00%	Hung Rouan Investment Corp.	This company's Chairman is the spouse of the stakeholder to this company	-
Labor Pension Fund (The New Fund)	33,260,165	1.09%	0	0.00%	0	0.00%	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	30,895,771	1.01%	0	0.00%	0	0.00%	-	-	-
J.P. MORGAN SECURITIES PLC	29,122,779	0.96%	0	0.00%	0	0.00%	-	-	-
Acer GDR	27,606,120	0.91%	0	0.00%	0	0.00%	-	-	-
Government of Singapore	19,846,578	0.65%	0	0.00%	0	0.00%	-	-	-
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	19,094,897	0.63%	0	0.00%	0	0.00%	-	-	-

Note: The total share proportion held by all family members of Stan Shih is 6.09%.

3.9 Ownership of Shares in Affiliated Enterprises (December 31, 2023)

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Acer European Holdings SA	147,000	100.00%	0	0%	147,000	100.00%
Boardwalk Capital Holdings Limited	1,263,432,141	92.02%	109,639,200	7.98%	1,373,071,341	100.00%
Acer Digital Service Co.	66,214,874	100.00%	0	0%	66,214,874	100.00%
Acer SoftCapital Incorporated	849,848	100.00%	0	0%	849,848	100.00%
Acer Holdings International, Incorporated	191,155,465	100.00%	0	0%	191,155,465	100.00%
Weblink International Inc.	48,073,116	58.93%	2,595,096	3.18%	50,668,212	62.11%
Acer Gadget Inc.	39,308,288	63.54%	5,498,028	8.89%	44,806,316	72.43%
Acer Cyber Security Incorporated	13,295,601	59.88%	145,000	0.66%	13,440,601	60.54%
Acer BeingWare Holding Inc.	130,308,478	100.00%	0	0%	130,308,478	100.00%
Sertec (Beijing) Ltd.	company limited	100.00%	company limited	0%	company limited	100.00%
StarVR Corporation	441,050	66.81%	0	0%	441,050	66.81%
AOPEN Inc.	34,264,311	43.68%	3,031,027	3.86%	37,295,338	47.54%
Bluechip Infotech Pty Ltd	1,420,734	24.18%	1,003,600	17.08%	2,424,334	41.26%
Highpoint Service Network Corporation	10,241,881	63.18%	1,018,852	6.29%	11,260,733	69.47%
Acer Synergy Tech Corp.	12,639,874	56.94%	1,563,524	7.04%	14,203,398	63.98%
Acer Gaming Inc.	24,449,062	69.85%	1,371,119	3.92%	25,820,181	73.77%
Acer Asset Management Incorporated	107,718,900	100.00%	0	0%	107,718,900	100.00%
Acer Beverage Incorporated	1,000,000	100.00%	0	0%	1,000,000	100.00%
Smart Frequency Technology Inc.	24,000,000	100.00%	0	0%	24,000,000	100.00%
Acerpure Inc.	14,984,000	59.94%	2,064,066	8.26%	17,048,066	68.20%
Acer Sales And Services Sdn Bhd	30,969,332	100.00%	0	0%	30,969,332	100.00%
Acer Computer (Singapore) Pte. Ltd.	3,985,385	100.00%	0	0%	3,985,385	100.00%
Chih He Chin Tan Co., Ltd.	5,000,000	41.67%	0	0%	5,000,000	41.67%
Acer Technology and Business Development Pte. Ltd.	1,000	100.00%	0	0%	1,000	100.00%
Hao Ru Energy Corporation	30,000,000	60.00%	0	0%	30,000,000	60.00%

Capital and Shares

4.1 Sources of Capital

4.1.1 Sources of Capital (April 2, 2024)

Unit: Share/NT\$ Thousands

Date	Price of Issuance	Authorized Common stock		Paid-in Common stock		Note
		Shares	Value	Shares	Value	
September, 2020	Share/NT\$10	4,000,000,000	40,000,000	3,047,853,828	30,478,538	-

Unit: Share

Shares Category	Authorized capital			Note
	Issued shares	Non-issued	Total	
Common shares	3,047,853,828	952,146,172	4,000,000,000	-

4.1.2 Shareholding Structure (April 2, 2024)

Unit: Share

Category Number	Government Institution	Financial Institution	Other Institution	Individual	FINI and Foreign Investors	Total
No. of Shareholders	7	22	605	321,683	1,351	323,668
Shares	39,067,943	31,282,029	425,938,044	1,508,124,842	1,043,440,970	3,047,853,828
Percentage	1.28%	1.03%	13.98%	49.47%	34.24%	100.00%

4.1.3 Distribution of Shareholdings (April 2, 2024)

Par value NT\$ 10

Category	The Number of Shareholders	Shares	Percentage
1~999	112,075	24,897,557	0.82%
1,000~5,000	160,522	339,683,284	11.14%
5,001~10,000	26,796	206,876,283	6.79%
10,001~15,000	8,402	104,738,106	3.44%
15,001~20,000	4,943	90,472,500	2.97%
20,001~30,000	4,062	102,098,038	3.35%
30,001~40,000	1,929	68,035,981	2.23%
40,001~50,000	1,186	54,696,849	1.79%
50,001~100,000	1,969	140,519,971	4.61%
100,001~200,000	827	115,138,220	3.78%
200,001~400,000	389	107,224,516	3.52%
400,001~600,000	137	67,689,367	2.22%
600,001~800,000	90	62,245,777	2.04%
800,001~1,000,000	45	40,340,215	1.32%
1,000,001 and above	296	1,523,197,164	49.98%
Total	323,668	3,047,853,828	100.00%

Preferred shares: None

4.1.4 List of Major Shareholders (April 2, 2024)

Name	Item	Shares	Percentage
Yuanta/P-shares Taiwan Dividend Plus ETF		143,959,276	4.72%
Hung Rouan Investment Corp.		73,629,933	2.42%
Fuh Hwa Taiwan Technology Dividend Highlight ETF		73,077,000	2.40%
Stan Shih		34,989,531	1.15%
Labor Pension Fund (The New Fund)		33,260,165	1.09%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		30,895,771	1.01%
J.P. MORGAN SECURITIES PLC		29,122,779	0.96%
Acer GDR		27,606,120	0.91%
Government of Singapore		19,846,578	0.65%
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS		19,094,897	0.63%

Note: The total share proportion held by all family members of Stan Shih is 6.09%.

4.1.5 Market Price Per Share, Net Value, Earning & Dividend For Last Two Years

Unit: NT\$

Item	Period	2022	2023	Until Mar. 31, 2024	
Market Price Per Share	Highest	31.15	56.30	54.40	
	Lowest	20.50	23.35	44.20	
	Average	25.46	32.78	47.39	
Net Value Per Share	Before Distribution	21.97	24.86	-	
	After Distribution	20.47	23.26(Note)	-	
Earning Per Share	Weighted Average Share Numbers	3,001,108 Thousand shares	3,001,145 Thousand shares	-	
	Earning Per Share	Current	1.67	1.64	-
	Adjusted	1.67	1.64 (Note)	-	
Dividend Per Share	Cash Dividend (NTD)	1.50	1.60 (Note)	-	
	Stock Dividend	Retained Earning (%)	0	0(Note)	-
		Capital Surplus (%)	0	0(Note)	-
	Accumulated unpaid dividends	0	0(Note)	-	
Return on Investment Analysis	P/E Ratio	15.25	19.99 (Note)	-	
	P/D Ratio	16.97	20.49 (Note)	-	
	Cash Dividend Yield	5.89%	4.88%(Note)	-	

Note: The appropriation of 2023 earnings had been proposed by the Board of Directors on March 14, 2024, which included the distribution of cash dividends.

4.1.6 Dividend Policy and the Execution

4.1.6.1 Dividend Policy

Due to rapid changes of the industrial situation and development trend, the Company's dividend strategy depends on annual earnings and external environments, therefore, the Company adopts balance dividend policy in accordance with relevant laws and regulations: Cash dividends shall be distributed at least ten percent of total annual dividends, such policy has been approved at the General Shareholder's Meeting held on June 17, 2004.

4.1.6.2 Dividends of the Company Proposed to 2024 General Shareholders Meeting

1. The Board of Directors proposed FY2023 dividends to 2024 General Shareholders Meeting as following:

The beginning balance of the un-appropriated retained earnings of this Company is NT\$ 95,918 in 2023. After plus the net income after tax of 2023, the disposal gain or loss of financial assets at fair value through other comprehensive income, and set aside legal reserve, and special reserve in accordance with applicable laws and regulations, the total accumulative retained earnings available for appropriation is NT\$ 7,349,155,837. It is proposed to distribute NT\$ 4,876,566,124 as the dividends to the shareholders. The ending balance of the unappropriated retained earnings is NT 2,472,589,713, which is reserved for distribution in the future.

All dividends will be paid in the form of cash distributions to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a ratio of NT\$1.6 per share. (Rounded down to NT\$1.0 and the residue will be calculated as the company's other income)

2. Should the cash distribution be adjusted due to the amendment of laws or regulations, a request by competent authorities, or any change of the numbers of outstanding share, subject to the approved distribution, it is proposed the General Shareholders' Meeting to authorize the chairman of Board of Directors with full power to adjust the distribution ratio.
3. The record date for ex-dividend is temporarily set on June 26, 2024, and the distribution date is set on July 25, 2024. Should the dates above be adjusted due to the amendment of laws or regulations, a request by competent authorities, it is proposed to authorize the chairman of Board of Directors with full power to adjust accordingly.

4.1.7 Analysis on Impact of Proposed Stock Dividends Appropriation in Terms of Operating Results, Earnings Per Share and Rate of Return of Shareholders' Investment

Not Applicable

4.1.8 Compensation of Employees, Directors, and Supervisors

1. Remuneration of the Board of Directors and Employee Compensation Stipulated in Acer's Articles of Incorporation:

- (1) Remuneration of the Board of Directors:

Where there is profit in each fiscal year, after covering the accumulated losses, not more than eight thousandths (8‰) of the profit shall be distributed as remuneration of directors; the standard for distribution of remuneration will be recommended by Remuneration Committee and determined by the Board of Directors.

- (2) Employees' Compensation Resulted from Annual Earnings:

Where there is profit at the end of each fiscal year, after covering the accumulated losses, at least 4% of the profit shall be distributed as employees' compensation.

The employees' compensation in the previous section may be distributed in the form of either cash or stock bonus, and may be distributed to the employees of subsidiaries of this Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors.

2. The standard of accruing employee compensation and remuneration of the Board of Directors and Supervisors, the standard of distributing employees' compensation in the form of stock bonus, and the accounting treatment of difference between the actual distribution amount and the accrued amount:

The Company accrues employee compensation and remuneration of the Board of Directors proportionally from the pre-tax income which referred in Acer's Articles of Incorporation before deducting employee compensation and remuneration of the Board of Directors. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the difference should be treated as changes in accounting estimates and adjusted in the following year.

3. Distribution of Remuneration of the Board of Directors and Employee Compensation:

- (1) The total amount of employees' compensation distributed in the form of either cash or stock bonus, and Remuneration of the Board of Directors. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment:

- The total amount of employees' 2023 profit sharing bonus is NT\$ 470,000,000, and the total amount of Board Directors' 2023 compensation is NT\$ 4,000,000. The Board of Directors approved the proposal of employees' 2023 profit sharing bonus and Board Directors' compensation on March 14, 2024. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.

- There is difference of NT\$ 14,442,861 between the actual distribution amount and the accrued amount, and this difference will be recognized as profit or loss at next year.

- (2) The proportion that the amount of employees' compensation distributed in stock bonus to net income stated in this year financial statement or individual financial reports, and the total amount employee compensation: Not applicable.

4. The actual distribution to the remunerations to employees, Directors and Supervisors of Last Fiscal Year (including distributed shares, amount and price of shares). Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment:

	FY2022		
	Dividend Distribution Proposed by the BOD	Actual Dividend Distribution	
		Amount	Equivalent Share
Remunerations to Employees (paid in cash)	NT\$ 475,000,000	NT\$ 475,000,000	-
Remunerations to Employees (paid in stock by market value)	NT\$0	NT\$0	0 Share
Remunerations to Directors	NT\$ 7,000,000	NT\$ 7,000,000	-
Total	NT\$ 482,000,000	NT\$ 482,000,000	0 Share

4.1.9 The Execution for Shares Buyback

None

4.2 Corporate Bonds

Category	Acer Inc. 1st Unsecured Corporate Bond in 2021	Acer Inc. 2nd Unsecured Corporate Bond in 2021
Issuing Date	April 27, 2021	August 26, 2021
Denomination	NT\$ 1,000,000	NT\$ 1,000,000
Listing	R.O.C	R.O.C
Issue Price	NT\$ 100	NT\$ 100
Issue Size	NT\$ 5,000,000,000	NT\$ 5,000,000,000
Coupon Rate	0.76%	0.62%
Maturity Date	5 years Maturity Date: April 27, 2026	5 years Maturity Date: August 26, 2026
Guarantor	None	None
Trustee	Bank SinoPac Co., Ltd.	CTBC Bank Co., Ltd.
Underwriters	Fubon Securities Co., Ltd.	CTBC Bank Co., Ltd.
Legal Counsel	Not applicable	Not applicable
Auditor	Not applicable	Not applicable
Repayment	Principal Repaid in a Lump Sum at Maturity	50% of the principal will be paid at the end of the fourth and fifth years respectively
Outstanding	NT\$ 5,000,000,000	NT\$ 5,000,000,000
Redemption or Early Repayment Clause	None	None
Covenants	None	None
Credit Rating	Issuing company rating agency: Taiwan Ratings Rating Scale: twA Rating Date: March 4, 2021	Issuing company rating agency: Taiwan Ratings Rating scale: twA Rating Date: March 4, 2021
Other rights of Bondholders	Amount of Converted or Exchanged Common Shares, GDRs or Other Securities	None
	Conversion Right	None
Dilution Effect and Other Adverse Effects on Existing Shareholders	Not applicable	Not applicable
Paying & Conversion Agent	None	None

4.3 Special Shares

None

4.4 Global Depository Receipts (GDRs) Issuance (March 31, 2024)

Description	Date of issuance	November 1, 1995	July 23, 1997
Date of issuance		November 1, 1995	July 23, 1997
Location of issuance and transaction		London	London
Total amount of issuance		US\$220,830,000	US\$160,600,000
Unit price of issuance		US\$32.475	US\$40.15
Total number of units issued		6,800,000units	4,000,000units
Sources of valuable securities demonstrated		Capital increased in cash	Capital increased in cash
Number of valuable securities demonstrated		Each unit stands for Acer's 5 common shares	Each unit stands for Acer's 5 common shares
Rights and obligations of GDR holders		Same as Acer's common shareholders	Same as Acer's common shareholders
Consignee		None	None
Depository organization		Citicorp	Citicorp
Custodian organization		Citibank Taipei Branch	Citibank Taipei Branch
Balance not retrieved		5,521,205 units of Global Deposit Receipt as representing 26,006,595 shares of common stocks	
Method to allocate fees incurred during the period of issuance and existence		The expenses incurred by issuance being taken to offset premium reserve. Expenses incurred during existence being taken as expenses of the current term.	The expenses incurred by issuance being taken to offset premium reserve. Expenses incurred during existence being taken as expenses of the current term.
Any key issue for the depository and custodian agreements		None	None
Market Price Per Share	2023	Highest	US\$ 8.82
		Lowest	US\$ 3.05
		Average	US\$ 5.16
	Until March 31, 2024	Highest	US\$ 8.48
		Lowest	US\$ 7.08
		Average	US\$ 7.41

4.5 Employee Stock Options

None

4.6 Restricted Stock Awards

None

4.7 Issuance of New Shares Due to Company's Mergers and Acquisitions

None

4.8 Issuance of New Shares for Capital Increase by Cash

None

Acer's Business Formula

5

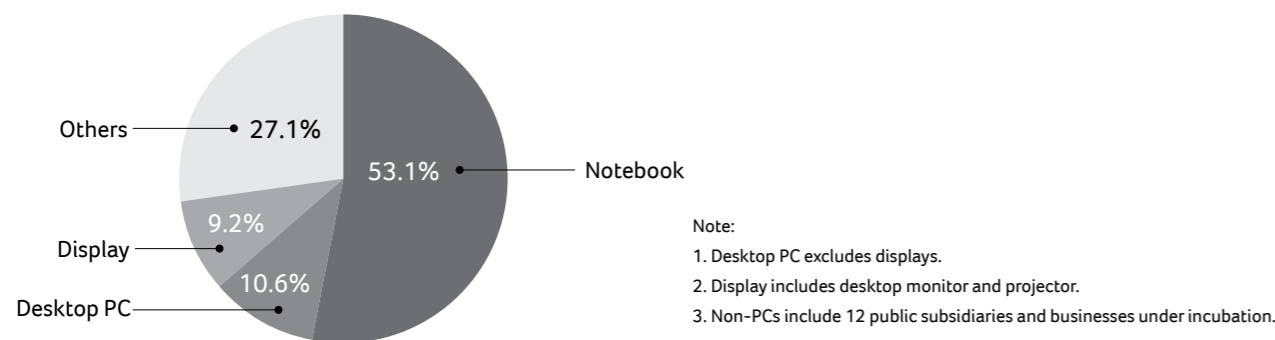
5.1 Business Content

5.1.1 Business Scope

5.1.1.1 Business Portfolio

Founded in 1976, Acer is now one of the world's top ICT companies and has a presence in over 160 countries. To maintain its momentum and long-term sustainability, Acer continues to evolve with the industry and changing lifestyles by pushing for innovation in existing businesses, eco-conscious designs, and solutions, while expanding multiple businesses with an emphasis on sustainability. Acer has pledged to source 100% renewable electricity by 2035 in addition to developing greener product designs and reducing carbon footprint throughout its supply chain. Acer's 7,800 employees are dedicated to the research, design, marketing, sale, and support of products and solutions that enable smart living and break barriers between people and technology. At the same time, its strategy to explore new initiatives and sustainable technology such as e-mobility to better serve more user groups, and cultivate new business engines, is gaining momentum.

■ 2023 revenue breakdown by application



5.1.1.2 Industry Highlights

1. **Status and Opportunity:** As environmental issues become increasingly pressing, brands from across industries have been stepping up efforts to help reduce their burden on the planet. Efforts vary from changing the way they operate to reduce their carbon footprint, using recycled materials, green energy, and more. With the firm belief that it is everyone's responsibility to do the right thing for a greener environment, Acer has continued to focus on maintaining its business momentum while marching toward a more sustainable future.

Since 2012 it has set and steadily achieved its carbon reduction targets. Acer joined the RE100 initiative, pledged to source 100% renewable electricity by 2035 and achieve net-zero emissions by 2050. As one of the world's top ICT companies, Acer seeks to amplify positive impacts on the environment through united actions; 60% of its critical suppliers have committed to RE100 or set science-based carbon reduction targets (SBT). Moreover, through its "Earthion" platform that unites employees and supply chain partners to tackle environmental challenges, Acer expanded its Vero line of products built with a high percentage of post-consumer recycled (PCR) materials to include monitors, Chromebooks, routers, projectors, accessories, air purifiers, and more.

Nowadays, consumers' growing awareness of sustainability also impacts their choice of brands and their expectations. In addition to the Earthion platform and the Vero series, Acer has also invested in energy storage and partnered with logistics providers to reduce standard sea containers emissions thanks to biofuel, fulfilling the commitment to sustainability from multiple perspectives. Acer is committed to making ESG a business opportunity, not just a responsibility, so that it becomes sustainable for both the planet and for the company's efforts, creating a wholly positive cycle.

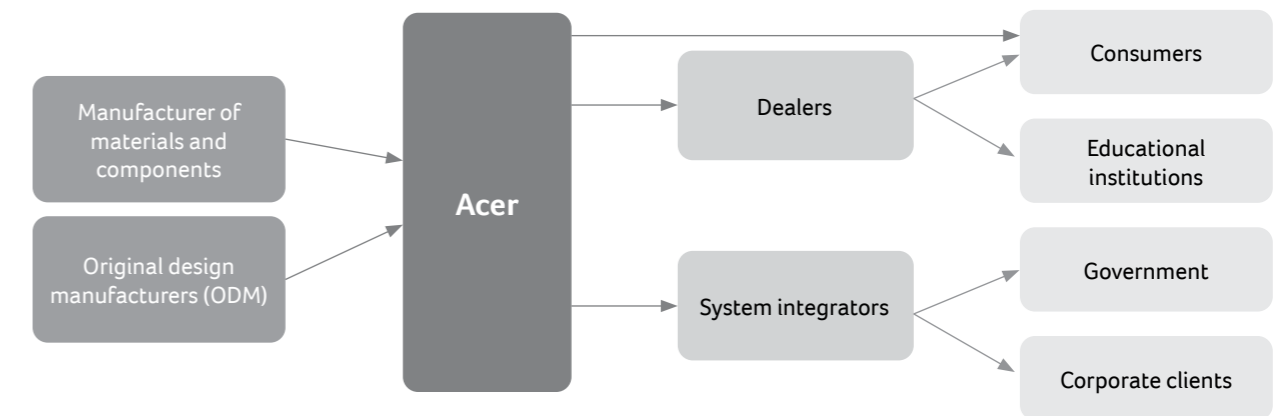
The digital infrastructure developments led by artificial intelligence (AI) and 5G has enabled a new network connecting everyone to all kinds of devices. The superfast data speed, reliability, huge network capacity, and efficient energy usage will enable new applications, opportunities, and challenges across industries.

The convergence of AI and internet of things (IoT) technologies and solutions has led to smarter networks and systems that are becoming ever more capable of solving problems across a diverse number of industry verticals. The direct connectivity of AIoT devices to the cloud has opened the way for a wider scope of innovation. AI adds value to IoT with big data analytics and machine learning to more sophisticated decision making, while IoT brings the additional benefits of connectivity, signaling, and data exchange to AI. Smart solutions for air monitoring, medical, and cities are examples of the various AIoT solutions being developed by Acer and its subsidiaries.

The Covid-19 pandemic propelled a surge in digitization and connectivity through the internet and cloud, and consequently the need to step up security measures to ensure the information of companies and organizations stays safe against cyberattacks. Acer Cyber Security, an Acer subsidiary, is an established leader of cyber security business in Taiwan and offers solutions in this realm.

Acer's strategy to expand multiple business engines continued to gain momentum and it will continue to enhance its business resilience through establishing multiple business engines and developing products and solutions that add value to new lifestyles.

2. Upstream to Downstream Suppliers:



3. **Trends:** Acer is constantly evolving with the industry and changing lifestyles. While continuing to research and innovate to enhance its existing product offerings, including notebook and desktop computers, projectors, monitors, gadgets and other smart devices, Acer has also dedicated more resources to segments with high margin and high growth opportunities to optimize investments, such as the gaming ecosystem and Chromebooks. For initiatives other than computers and displays, Acer has invested in multiple business engines, including e-mobility products, EV charging and hydrogen station solutions, smart cities, gaming, fashion, home appliances, AI-assisted medical solutions, cyber security, cloud solutions, industrial PCs, dietary supplements, connectivity devices, system integration, and more. Some of these services are provided through the various Acer subsidiaries.

4. **Competition:** The gaming market is rigorous, and while having built a comprehensive gaming ecosystem that includes hardware/accessories, esports tournaments, social platforms, and beverages, Acer added a new dimension to gaming with its SpatialLabs 3D technology to its gaming laptops and displays – glasses free. For display and sensory technologies in the virtual world, the SpatialLabs suite of experiences combines eye tracking stereo camera, a real-time rendering system, and stereoscopic 3D display to the world of gaming. Recently, support has been extended for the developer community.

In gaming hardware, Acer has stood out from competition with its advanced thermal cooling solutions that enable its gaming notebooks and desktops to run at peak performance.

Through ongoing research, Acer continues to innovate and make enhancements to computer usage experiences while identifying new groups of users.





5.1.1.3 Technology and R&D

In 2023, Acer spent NT\$2.12 billion on research and development, focusing on user interface, industrial design and usage scenarios, ICT related hardware and software, IoT technology. In addition, the company has been building on its existing computers and displays business and expanding into new areas that can seamlessly integrate computers with new software applications and integrate cloud services as a “hardware + software + services” company. Focusing on areas with high growth opportunities, Acer has been working on designs that fulfill the needs and desires of various markets, such as mobile professionals, gamers, creators, and education.

Acer has developed various patents in the AI medical field and owns hundreds of patents in thermal cooling technology. In addition, Acer holds the titles of “Top 100 (of 2,775) Companies” worldwide and “Top 3 (of 541) in Taiwan” from 2019-2023 at the world-renowned iF Design Awards.

With the commitment in designing for customer needs, Acer has received many international awards for design excellence in 2023:

Design Awards

Design Award	Award Winners
 iF Design Award	iF Design Award winners: Predator Helios 3D 15 SpatialLabs Edition laptop, Aspire Vero eco-friendly National Geographic Edition packaging, and Acer Connect Enduro M3 5G Mobile Wi-Fi Router.
 Red Dot Award: Product Design reddy winner 2023	Laptops: Predator Triton 17 X, Predator Helios Neo 16, and Acer Chromebook 516 GE gaming laptops, and the Acer Swift 14 and Acer TravelMate P6 14 laptops, Vero line: Acer Vero CB3 series monitor and the Acer Vero PL2520i laser projector. The Acer Aspire S all-in-one PC, Acer Connect Enduro M3 5G Mobile Wi-Fi Router, and the Acer Halo Swing Smart Speaker.
 Red Dot Award: Brands and Communication Design reddy winner 2023	Acer's eco-friendly wireless mouse and Predator gaming headset were acknowledged for their aesthetic and environment-friendly design concepts. The creative product videos of the Predator Orion X gaming desktop, the Acer Chromebook Vero 514, the TravelMate P6 14 business laptop and the Swift OLED laptops, each took home awards in the Film & Animation. The advocacy films in “#SayangBumi” and the latest Acer Corporate Video “A Journey to a Better Tomorrow” also received the distinction for Film Design. The interactive Predator Hideout website was awarded for its unique and engaging concept under the Web Design category, while the “Acer Day: #MakeYourGreenMark” advertising campaign received recognition for simultaneously producing significant results for the Acer brand and the environment through its creative efforts. The Acer Earth Mission App and ebiiGO companion application were awarded under the Digital Solutions and Interface Design categories respectively for their user-friendly features and the promotion of sustainable practices.
 GOOD DESIGN AWARD 2023 Good Design Award of Japan	A mix of Acer products received the 2023 Good Design Awards, headlined by its sustainability-focused products in the Acer ebii e-bike and several devices from the eco-conscious Vero line which include monitors, a set of peripherals, and an energy-saving projector. Awards were also handed to the Acer TravelMate P6 14 business laptop, Predator Triton 17 X gaming laptop, Acer Aspire S Series all-in-one desktop, Acer Revo Box mini-PC, and the Acer Connect Enduro M3 Mobile Wi-Fi.

New Technologies

- In the AI medical field, Acer Medical Inc. provides multiple AI-assisted medical solutions, including AI-assisted diagnostic software VeriSee DR (Diabetic Retinopathy) and screening software VeriSee AMD (Age-Related Macular Degeneration). So far, VeriSee DR has tapped into eight global markets: Taiwan, Malaysia, Philippines, Thailand, Indonesia, Vietnam, India, Hong Kong; and obtained approvals from local regulatory authorities in multiple markets. Moreover, VeriSee DR has been introduced to 170+ clinics and hospitals around Asia, such as Taiwan, Thailand, India, and Philippines.
- Acer assisted the financial industry in Taiwan to build a generative AI-enabled customer service through its subsidiary Acer e-Enabling Business (AEB). With AI voice recognition and analytics, people can enjoy a new online customer service experience created by generative AI, with service offerings such as financial consultation and recommendation of suitable financial products based on the customer's feedback. Furthermore, by using AI to observe the large amount of customer service data, the solution will help to provide insight to customer behavior and preferences, and provide more suitable product recommendations.

5.1.1.4 Long and Short Term Business Plan

Acer is constantly evolving with the industry and changing lifestyles by continuing to push for innovation in existing businesses, while expanding to new territories. In the computers and displays business, Acer is committed to strengthening the foundations with technological innovations such as its state-of-the-art thermal cooling solutions, and designing unique product lines for the specific needs of gamers, education, and more. At the same time, Acer's strategy is to explore new opportunities, expand into adjacent territories, and cultivate multiple business engines. Acer is encouraging employees to think outside the box by promoting intrapreneurship.

Short Term Plan:

Acer will continue to optimize its computers and displays business and has dedicated more resources in segments with high growth opportunities to optimize investments, such as thin-and-light notebooks, gaming line, and Chromebooks. At the same time, Acer is constantly observing the changes of the global economy and taking measures as necessary to minimize impacts and maintain business momentum.

Long Term Plan:

Acer continues to research and develop customer-centric products, and explore beyond boundaries to identify and incubate micro trends that have potential for growth. Its strategy is to grow its multiple business engines for the group's long-term sustainability, and this strategy has been making progress. As of December 2023, Acer has 12 public subsidiaries: Acer Gadget, Acer Gaming, Highpoint Service Network, Acer Medical, Acer Cyber Security, Acer Synergy Tech, Weblink International, Acer e-Enabling Service Business, AO-PEN, Protrade Applied Materials, Acer Synergy Manpower, and Winking Studios.

Moreover, Acer applies the Responsible Business Alliance (RBA) Code of Conduct as the standard to ensure responsible sourcing of materials, and compliant working environments that uphold human rights. It demonstrates Acer's commitment to environmental protection, social responsibility, while optimizing its operations.

For more information may be found in Chapter 6: Sustainable Development/ESG.

5.1.2 Market Highlights

5.1.2.1 Market Analysis

1. Market Share of PC Products

Acer's 2023 revenue breakdown by regional operation are: Pan Asia Pacific with 50.2% share, Pan America with 25.1% share, and EMEA with 24.7% share. In worldwide PC shipments (Source: IDC), Acer ranked No. 6 for total PCs with 5.8% share, No. 6 for notebooks with 6.8% share, and No. 4 for desktops with 3.4% share.

2. The Future of Market Demand and Supply

Facing global issues such as inflation, Acer's strategy to build and strengthen multiple business engines continues to gain momentum; in 2023 its businesses other than computers and displays contributed around 27% of total revenues. Weathering the post-pandemic industry stress test, Acer's computer business bottomed out around May 2023, while new graphic cards and connectivity products reached markets.

Opportunities continue to arise from the expanding gaming ecosystem with diversified business models and innovative applications. According to Statista, the global esports market has boomed in recent years and by 2025, there are expected to be over 318 million esports enthusiasts worldwide, in addition to some 322.7 million occasional viewers of esports.

In the year ahead, the company will continue observing users' needs and identifying micro-trends that have the potential to create a new blue ocean of opportunities. In parallel to focusing on its computers and displays products, Acer will persist in developing multiple growth engines. As of December 2023, Acer has 12 public subsidiaries, and in the foreseeable future plans hold two to three IPOs every year.

3. Competitive Advantage

The common objective among all of Acer's businesses is to explore new markets and broaden current boundaries. Its R&D takes into account of the design thinking process and key technologies, creating a competitive advantage for the company and resulting in the launch of numerous highly competitive and innovative products. Shifting away from traditional computer hardware manufacturers' mindset, Acer's Value Lab has gradually invested more resources in developing artificial intelligence, big data and more, while exploring new business models to create opportunities for growth. Acer also has subsidiaries in diverse scopes of business including information security, smart parking, smart wearables, AI medical, smart public health systems, and these are just some examples of the multiple growth engines. Twelve of these engines progressed to becoming listed companies: Acer Gadget, Acer Gaming, Highpoint Service Network, Acer Medical, Acer Cyber Security, Acer Synergy Tech, Weblink International, Acer e-Enabling Service Business, AO-PEN, Protrade Applied Materials, Acer Synergy Manpower, and Winking Studios.

In terms of sales channel reach, Acer has a presence in over 160 countries and a lean organization for effective and fast decision making. Its R&D, design, marketing, sales, and services all adopt a global strategy, which is the company's advantage.

4. Advantages, Disadvantages and Counter Measures

Advantages

- (1) Acer is confident that new technologies trigger new usage models and stimulate market demand over time. It unveiled its new AI PCs with the Swift Go notebooks featuring Intel Core Ultra processors, and expanded its SpatialLabs stereoscopic 3D portfolio with new laptop and gaming monitor.
- (2) In the traditional PC market, Acer focused on segments with high growth potential, including thin-and-light laptops, gaming computers, Chromebooks for education, enterprise, and consumers, and more, for different users' needs. Market segments are further divided to address specific users, for example, gaming PCs for hardcore and casual gamers.
- (3) Consistent marketing activities for high-profile brand and products, such as the Predator gaming brand, the Swift line of ultra-portable laptops, and Vero line of eco-conscious products have helped to build the company's image for high-end designs and enhanced brand awareness.

- (4) With a presence in over 160 countries, Acer has a comprehensive network of sales channels, and a lean organization for effective and fast decision making.
- (5) Acer has continued to innovate in the computers and displays markets, while also expanding to new areas and cultivating multiple business engines to maintain the company's momentum and ensure long-term sustainability.
- (6) Environmental, social, governance (ESG): Through transparent reporting of its efforts in ESG, Acer has been recognized and won major industry accolades. Acer was listed in the Top 5% of companies in the S&P Global Sustainability Yearbook 2023 for sustainable business practices. The company was listed in the MSCI ESG Leaders Indexes for the 10th year, and garnered the best rating of "AAA" in its category since 2021. Also for the 10th consecutive year, Acer was listed in the Dow Jones Sustainability Indices Emerging Markets Index. Furthermore, it was named among Forbes World's Best Employers for the fourth consecutive year and Top Female Friendly Companies for the second year.

Disadvantages and Countermeasures:

- (1) In the latter part of the Covid-19 pandemic, the demand for PCs has quietened, however, the supply chain continued to be disrupted due to geopolitical issues. Acer has passed the post-pandemic stress test and our business passed the inflection point and is gaining momentum.

Actions: Acer communicates with its component suppliers on a daily basis of its needs and strives to optimize its inventory levels with the right portfolio of products.
- (2) The volatile and rapidly changing ICT industry presents a challenge to forecast the future PC demand with accuracy.

Actions: Constantly evolve with industry and changing lifestyle is Acer's firm belief to creating renewed growth. The common objective for both its consumer and commercial markets is to explore new markets and broaden current boundaries. Acer will continue to explore different markets and launch products for different applications, identify micro trends for a blue ocean of opportunities. In addition to the computers and displays businesses, fulfill the needs of more user groups and market segments; Acer is expanding its offering to systems integration, AI medical, information security and others, to discover new opportunities. With issues such as inflation and geopolitical situations, Acer is open to consideration of additional locations for outsourced productions.
- (3) The speed of information digitalization and ecommerce has accelerated with the Covid-19 pandemic, with the increase to remote working, distance learning, and online shopping.
- (4) Market volatility may result in greatly fluctuating demands.

Actions: Acer and its subsidiaries will continue to adopt the channel business model and strengthen cooperation with key suppliers and distributors, while continuously monitoring market demands and new trends. In addition, e-commerce sales models have been adopted to directly serve consumers and understand their preferences.

5.1.2.2 Key Products and Manufacturing Process

1. Current product and service offering

- | | |
|--|--|
| (1) Notebook PCs | (12) Cyber security and datacenter |
| (2) Desktop PCs | (13) Smart cities |
| (3) Monitors | (14) AI-assisted medical solutions |
| (4) Projectors | (15) E-mobility |
| (5) Gaming products and esports platform | (16) Home appliances |
| (6) Gadgets and apparel | (17) Energy storage solutions |
| (7) Servers | (18) Home electronics service and repair |
| (8) Cloud services | (19) Recruitment and staffing services |
| (9) E-business and services | (20) Polymer trading and distribution |
| (10) Commercial solutions | (21) Integrated IT services |
| (11) Digital signage solutions | (22) Dietary supplements |

2. Manufacturing process

Acer and its subsidiaries mostly outsource manufacturing to various ODMs. To fulfill its responsibilities as a corporate citizen, Acer strictly requires its suppliers to comply with environmental protection and local labor regulations, such as the European Union's Restriction of Hazardous Substances (RoHS), in the production and manufacturing processes. In addition, since 2008 Acer has joined the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC), which requires suppliers to adhere to the RBA Code of Conduct to ensure the operational compliance of the company and its suppliers.

5.1.3 Production Process of Key Products

Acer has long-term cooperation with reputable firms, in and out of Taiwan, for the supply of components and parts. In addition, the company strictly prohibits suppliers from using components and finished products produced with raw materials obtained illegally or via inhumane ways; or purchasing tantalum, tin, tungsten and gold (known as 3TG) from sources with direct or indirect funding or benefits from armed groups of Congo or neighboring countries. Acer also updated the "Responsible Raw Materials Purchasing Policy" in 2017 by expanding the scope of mineral management beyond 3TG and Congo to ensure minerals management is consistent with the OECD's guidance for mineral supply chains in conflict-affected and high-risk areas. The company requires suppliers to provide mineral procurement policies and processes, take due diligence process, and shoulder the responsibility of social and environmental protection.

Since 2017, the company has expanded its Responsible Business Alliance (RBA) management to two tiers of suppliers (i.e. the supplier of suppliers), which has extended to three tiers in 2021. In addition, Acer began including three tiers of suppliers to participate in the CDP global disclosure system in 2022. These efforts aim to promote a positive cycle for a sustainable future.

5.1.4 Key Buyers and Suppliers Accounting Over 10% of Total Net Sales and Purchase

(1) Key Buyers for Acer Group: None

(2) Key Suppliers for Acer Group

Unit: NT\$ Thousands

Item	Year 2022				Year 2023			
	From	Amount	Percentage of total net purchase (%)	Relationship with Acer Inc.	From	Amount	Percentage of total net purchase (%)	Relationship with Acer Inc.
1	Supplier D	36,430,033	25.46	None	Supplier D	36,480,879	26.72	None
	Others	106,679,589	74.54		Others	100,030,844	73.28	
	Total Net Purchase	143,109,622	100.00		Total Net Purchase	136,511,723	100.00	

Note: The key suppliers are not significant change in 2022 and 2023.

5.1.5 Production Value in the Last Two Years

Not applicable.

5.1.6 The Sales Value in the Last Two Years

Unit: NT\$ Thousands

Major production	Year	Year 2022		Year 2023	
		Domestic Sales	Foreign Sales	Domestic Sales	Foreign Sales
Computer		5,858,356	187,121,775	4,687,160	156,788,743
Peripherals & Others		45,237,640	37,205,973	43,504,087	36,328,152
Total		51,095,996	224,327,748	48,191,247	193,116,895

5.2 Keys to a Sustainable Future

5.2.1 Optimize operations by strengthening the foundations and exploring new possibilities

To maintain the company's momentum and long-term sustainability, Acer keeps evolving in both its existing businesses and new initiatives by continuing to push for innovation with its computers and displays, while expanding multiple business engines, and taking actions to help reduce burden on the environment.

Acer will continue to research and innovate in its notebook and desktop computers, projectors, and displays businesses, while investing in segments with high growth opportunities to optimize investments such as AI PCs, the gaming line, thin-and-light notebooks, and Chromebooks. In the area of display and sensory technologies in the virtual world, Acer continues to expand its glasses-free Spatial-Labs stereoscopic 3D portfolio to new notebooks and displays, bringing a new dimension for gamers, designers, and developers.

To help tackle environmental challenges, Acer expanded its Vero line of eco-conscious products, which utilize recycled plastic, recyclable packaging, and ocean-bound plastic, and launched e-mobility products for sustainable living. With the joining of the RE100 initiative, Acer has pledged to source 100% renewable electricity by 2035 and reach net zero by 2050.

At the same time, the company is exploring new opportunities, expanding into adjacent territories, and cultivating multiple business engines built on the advantage of its expansive global channel reach. Employees are provided with opportunities to earn autonomy by encouraging them to think outside the box and pursue untapped markets for the group's long-term sustainability. Intrapreneurship at Acer has created new possibilities being explored including solutions for e-mobility, smart parking, electric vehicle charging, AI-assisted medical, energy storage, and more. Some of these solutions are provided through its subsidiaries.

Evolving with the industry and changing lifestyles is the key to creating renewed growth in the computer industry and beyond, and ensuring Acer's long-term sustainability.

5.2.2 Create synergies with partners and regional operations

Acer diligently builds on the synergy of partnerships and resources to effectively operate, safeguard, and grow its business. Acer's flexible and nimble approach involves the global headquarters working closely with regional offices and partners to understand local market conditions and meet the needs of customers. In tackling environmental challenges, Acer is working with partners to develop products, including product packaging, that incorporate recycled materials and to reduce emissions in product shipments. Through the concerted efforts of its management team, employees, and stakeholders, Acer continues to demonstrate the highest resilience through times of high volatility in the industry and global economy, while also working toward a more sustainable future.

5.3 Employees

5.3.1 Global Human Asset Management

Employees are the Company's key assets and the main driver of business growth. Acer has fostered a work environment that empowers employees by entrusting them with the tasks matched to their skill or qualification. There are clear objectives and reward for achievement, extensive communication and interaction among coworkers, constant encouragement for innovations, and an effective decision making process. On-the-job training provides the ideal platform for learning and development.

As a result of employees' joint effort, Acer has received numerous industry and media recognition. For example, Acer has been listed on the DJSI Sustainability Indices (Emerging Markets Index) for ten consecutive years since 2014, in top 5% of Companies in S&P Global Sustainability Yearbook for the third year, on the FTSE4Good Index in 2022 for the seventh year, and in the subcategory FTSE4Good TIP Taiwan ESG Index, supported by the Taiwan Stock Exchange, for the fifth year. Acer has provided employees with opportunities for development and growth, and therefore has been included in Forbes World's Best Employers for the fourth consecutive year since 2020, and named one of the World's Top Companies for Women in 2023. With the commitment in designing for customer needs, Acer has received many international awards for design excellence in 2023, such as Red Dot Winner, Red Dot Winner Brand & Communication Design, Digital Solutions, Packaging Design, Interface Design, Web Design, COMPUTEX Best Choice Award – Golden Award, Sustainable Tech Special Award, Category Award, Webby Winner, Webby People's Voice Winner, iF Design Award and BIG Innovation. All above results are contributed by our most valuable assets: our employees.

-Human Asset Analysis by Manpower, Average Age and Years of Employment

Category	Date	End of 2022	End of 2023	March of 2024
Manpower		7,725	7,813	7,724
Average Age		41.0	41.3	41.6
Average Years of Employment		9.2	9.5	9.6
Male (%)		62.4%	61.9%	61.9%
Female (%)		37.6%	38.1%	38.1%

-Human Asset Analysis by Job Function

Job Function	Date	End of 2022	End of 2023	March of 2024
General Management		203	281	274
Sales & Product Marketing		1,801	1,776	1,777
Customer Service		2,053	2,058	2,032
Research & Development		1,351	1,459	1,458
Sales Support		1,289	1,354	1,313
Administration		1,028	885	870
Total		7,725	7,813	7,724

- Human Asset Analysis by Education Level

Education Level	Date	End of 2022	End of 2023	March of 2024
Doctor of Philosophy		1.1%	1.0%	1.0%
Master's Degree		28.1%	27.3%	27.9%
Bachelor's Degree		55.6%	56.1%	55.7%
Vocational Study		13.8%	13.7%	13.6%
Senior High School or below		1.4%	1.9%	1.9%
Total		100.0%	100.0%	100.0%

5.3.2 Recruitment

The Company abides to each country's labor laws and customs. We are committed to providing equal opportunities and following Anti-discrimination law that it is illegal to make employment decisions based on legally protected factors like race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, or past membership in any labor union, and we are sticking to the principle of putting the right people at the right position. Acer seeks high-potential candidates with multi-disciplinary backgrounds in order to build a strong global workforce.

5.3.3 Continuous Learning and Growth

People Development and Career Growth

The training policy for the year 2023 is primarily focused on aligning with the company's strategy and adhering to principles of environmental, social, and corporate governance. Through training, development, and performance management, we aim to strengthen organizational capabilities and achieve the company's goals.

In terms of specific talent development initiatives, emphasis is placed on reinforcing sustainable business practices and a sense of responsibility through on-the-job training, task assignments, talent development projects, and both physical and online courses. The goal is to enhance awareness of industry trends and opportunities, as well as to elevate the managerial systems thinking capabilities of supervisors. This continuous improvement in organizational effectiveness is aimed at enhancing core competencies in lifestyle-related products.

- In the realm of leadership and management training, we aim to enhance the core managerial skills (Management) of front-line supervisors in recruitment and team management, while assisting middle and senior-level executives in elevating their strategic thinking and execution capabilities (Leadership). To adapt to the development of multiple business engines and navigate through various dynamic business environments, we specifically conduct "Situation Leadership" training. This equips supervisors with the understanding of how to tailor leadership styles based on the capabilities and maturity of different members, ultimately enhancing the effectiveness of the leadership team.
- In the domain of professional courses, addressing the evolving demands in lifestyle-related products, we reinforce the core technical competencies of IT Products, Digital Displays, and the Value Lab through internal and external training programs and technical seminars. Furthermore, we consistently enhance the professional expertise and AI application capabilities of colleagues in marketing, strategic planning, and logistics.
- In the area of general training, utilizing eLearning methods, we enhance the global colleagues' in-depth understanding of various ESG (Environmental, Social, and Governance) topics. This includes training on corporate business conduct guidelines, strengthening information security awareness, personal data protection, and business misconduct prevention. Additionally, through in-person training sessions, we strengthen colleagues' abilities in business presentations, negotiations, data analysis, and process automation.

To ensure the quality of training, all programs are conducted by adhering to the "Training Management Guidelines." The assessment includes training satisfaction surveys, post-training interviews, and reflective practices in action learning. In the year 2023, a total of 34,484 employees globally underwent training, accumulating a total training duration of 87,364 person-hours. The overall number of individuals trained amounted to 6,355, with an average training duration of 13.74 hours per employee. All training activities are conducted based on job requirements and guided by principles of gender equality and equal opportunity.

Diversified Learning and Development

The company actively promotes various in-service training initiatives, job coaching, job rotations, seminars, online learning, and encourages colleagues to participate in external professional conferences, short-term training courses offered by renowned international universities, and training institutions.

New Employee Training

Upon entry into the company, new employees undergo a series of guidance and training sessions designed to provide insights into the company's overview, management systems, core values, and brand ethos.

Each department provides short-term specialized training to acquaint new employees with their roles, organizational members, operational processes, and collaboration guidelines with other units.

Furthermore, each new employee is assigned a mentor who provides ongoing advice and support, facilitating a quicker adaptation to the work environment and fostering a seamless integration into the team.

Upon joining the company, new employees undergo ESG-related training, encompassing the Standards of Integrity Management and Business Conduct (including the promotion of labor rights, freedom of expression, personal privacy, prevention of harassment, and anti-corruption measures). The training also emphasizes the reinforcement of safety and health awareness. Simultaneously, there is a proactive encouragement for new colleagues to participate in Cardio-Pulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training, underlining the importance of emergency response skills.

5.3.4 Compensation

Acer provides a competitive salary package to attract and retain high-potential human assets. The Company surveys global IT companies' salary levels annually, to ensure that our salary packages are adjusted accordingly and reasonably to reflect market conditions. On top of the monthly salary, the Company offers the bonuses that are differentiated from the performance of business unit and each individual. Taking Taiwan for example, in addition to the fixed monthly salary and festival bonuses, Acer offers incentives that reward new innovations, intellectual property rights, sales achievements, performance bonus and profit sharing. At the same time, an employee stock ownership association has been established since 2022 to encourage employees to save and accumulate pensions.

5.3.5 Welfare

In all of our global locations, we provide our employees with a comfortable office environment, quality employee benefits and smooth communication channels in accordance with local laws and customs, in order to stimulate their creativity and increase productivity. In Taiwan, for example, the Employee Welfare Committee has been established by law to provide benefits as required by law, such as welfare points, sports competitions, family days, art and cultural activities, seminars, festivals, community activities, as well as various benefits such as the gifts of the three significant festivals, scholarship subsidies for children, wedding and funeral subsidies, hospitalization subsidies and wedding and funeral subsidies, and hospitalization subsidies. A fitness center and staff recreation facilities are also available to help relieve work stress and provide health promotion programs to care for the balanced physical and mental development of our staff.

5.3.6 Pension

The Company abides to each country's labor laws and customs. Taking Taiwan for example, Acer conforms to the Labor Standards Act and Labor Pension Act by contributing a portion of employees' salaries toward a pension scheme. Besides, employees who have served for 15 years and have reached 50 years of age can apply for early retirement. At the same time, from 2022, a relatively subsidized "Employee Stock Ownership Association Trust" company stock purchase plan will be provided, hoping that colleagues can also participate in the investment method of the company and accumulate wealth after retirement.

5.3.7 Labor Relations and Employee Communication

Acer values the opinions of its employees and strives to maintain harmonious labor-management relations, and its operations are managed in compliance with local laws and regulations in each of its global locations. In Taiwan, for example, we have opened up a number of communication channels to enhance two-way communication between employees and employers, as follows:

- **Single service line for back office.**

Each of our back office support units has a telephone line to provide a single service window to assist employees in solving problems at work or in the area of employee rights and benefits quickly and effectively.

- **Smooth communication channels.**

(1) Conduct employee satisfaction survey regularly:

We conduct regular employee satisfaction surveys every year to understand the organization's climate, and conduct in-depth interviews and formulate improvement plans for major problems.

(2) Routine labor-management consultation system:

The chairman and global CEO hold quarterly labor-management meetings (gardeners' meetings), in which the first-level executives communicate directly with selected employee representatives from each office to respond to employee issues and suggestions and make decisions, and assign staff from relevant units to solve problems and follow up to improve the company's operational and management efficiency.

(3) Collecting opinions from departing employees:

HRBP will conduct exit interviews with departing employees to understand their reasons for leaving the company and to serve as a reference for organizational improvement and optimization.

(4) "Workplace" is implemented for the prevention and control measures, complaints, and disciplinary measures against unlawful workplace abuse and sexual harassment:

In order to maintain gender equality and dignity at work and to provide a channel for employees to complain about unlawful workplace abuse, so that employees are not subjected to verbal, physical, psychological, sexual harassment, and gender discrimination in the workplace, the Company has established prevention measures, complaints, and disciplinary measures to specify the channels for complaints, operational procedures, and disciplinary regulations.

(5) Channels for Stakeholders to Report Complaints

To protect the rights and interests of stakeholders, to promote communication with stakeholders, and to strengthen corporate governance, if an Acer employee is found to have violated Acer's Code of Business Conduct, or to have engaged in any wrongful acts or activities that violate corporate governance, he or she may file a complaint through the stakeholder reporting channel and have it handled by a dedicated supervisor.

- **Company's Operational Achievements and Strategic Advancement:**

In response to our diversified business development, we continue to strengthen internal staff communication so that we can share common beliefs, visions and core values and work together for the Group's direction and strategies.

Mr. Jason Chen, Chairman and Global Chief Executive Officer, holds quarterly communication meetings and "Communication with Jason" meetings to communicate with our executives and colleagues via video or face-to-face about the company's operational results and future direction, and to answer questions and suggestions from employees.

In addition, he also invites renowned figures from various fields to share their experiences in industry management trends and innovations to expand the management horizons of executives.

5.3.8 Acer Employee Management

Standards of Integrity Management and Business Conduct

We have completed the revision of Standards of Business Conduct (SBC) in 2020 and changed its name to Standards of Integrity Management & Business Conduct (SIMBC) in 2022. SIMBC guides us on how we interacted with each other, our customers, our business partners, our shareholders and the communities where the Acer Group does business.

Below are the features of the revisions:

- (1) Get more aligned with the new amendments of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Procedures for Ethical Management and Guidelines for Conduct" enacted by Taiwan's governing authority of Stock Exchange and Futures Trading.
- (2) Call for a more strict compliance with the principles of human rights set by the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.
- (3) Require not only all employees of the Acer Group to obey these rules and adhere to the highest Standards of Integrity Management and Business Conduct ethics, but also the board members and all other parties who do business with Acer.
- (4) Incorporate the issues of Corporate Social Responsibility that address increasing attention during the recent years, the rules of social media interaction, and the past incidents that we have learned from the industry.
- (5) Specify the procedures dealing with the incident reports in anticipation of providing a guidance for the units to follow and to prevent recurrence.

All employees are required to undergo training regarding anti-corruption measures. During annual performance reviews, we require management and employees to review their adherence to our standards of professional behavior. In the event of corruption being found, the company must immediately report the incident and implement management measures, while also reminding employees that they must follow the regulations of the Standards of Integrity Management and Business Conduct.

- Sexual Harassment Prevention Measures

The Company is dedicated to ensuring gender equality and human dignity in workplace, securing work environment free from sexual harassment and discrimination. With the promise, the Prevention Measures and Disciplinary Actions on Sexual Harassment is enacted, which specifies the reporting channels, dealing procedures, and disciplines.

- Declaration of Secrecy and Intellectual Property Rights

The Company places extreme importance on the protection of intellectual properties rights. All staff are required to have the Declaration on Non-Disclosure Agreement signed when onboard, which declares the obligations to protect confidential information and the restrictions on use of the confidential information during the employment period and employment termination.

5.4 Important Contracts

Nature of Contracts	Contracting Parties	Beginning and Ending Dates of Contracts	Major Content	Restrictive Clauses
Software License Agreement	Microsoft Inc.	Continued from Aug.1, 2018 agreement through the date terminated (if applicable).	Obtain license from Microsoft for using certain software	Confidential Non-assignable
Patent License Agreement	IBM Corporation	Oct. 29, 2003 until the end of related patents period	Cross license arrangements for certain patents	Confidential Non-assignable
		Nov 22, 2006 until the end of related patents period		
Purchase Agreement	Worldwide Vendors	Y2023	Purchase for PC related devices or components.	Confidential Non-assignable

Sustainable Development/ESG

6

Acer's ESG policies and strategies are aligned with the Company's development direction and the core spirit of the brand:

While pursuing profitability, leading transformation, and providing innovative services, we will continue to create tangible and intangible values, and move toward a future-oriented enterprise by promoting sustainable model transfer and social influence with our three core beliefs of value creation, balance of interests, and sustainable management.

We believe that only by enabling companies to be environmentally and socially responsible while generating profits can sustainable development of the enterprise be achieved, thereby exerting our social impact. We actively cultivate diversified engine businesses, develop innovative products and services, and explore new business models to enhance group resilience. Concurrently, we promote low-carbon and circular strategies to create greater value for both the Group and society.

- **Integrating Sustainability Governance:** Deepen ESG governance and stakeholder engagement, and strengthen integrated management and transparent disclosure of financial and non-financial performance
- **Pioneering Green Innovations:** Incorporate low-carbon, sustainable, and recycling innovation technologies and concepts in products and services to lead in smart cities and develop a new green economy
- **Comprehensive Sustainability Impact:** Creating real corporate value and leveraging our influence on suppliers and partners to help the overall industry move toward a sustainable future

Acer's ESG sustainability strategy focuses on the following three major areas and formulates sustainability goals:

- **Circular Economy:** As one of the strategies to adapt to climate change, circular economy not only reduces the environmental burden, but also promotes innovation of enterprises.
- **Climate Change:** Net Zero Carbon Emission has become a global consensus, and it is also a mission and challenge that we must take on.
- **Social Impact:** Gathering employees' recognition of and commitment to environmental protection and social participation, cooperating with various stakeholders, and exerting social impact.

Our ESG efforts have continued to earn recognition among the leading sustainable development indices. In 2023, the Company was honored as one of the top 5% of companies in the world in the S&P Global Sustainability Yearbook, which uses ESG (Environmental, Social, and Governance) as a criterion. Acer is ranked among international indices such as the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index, in which we have been listed for ten consecutive years, and earned the AAA rating as a constituent stock of the MSCI ESG Global Sustainability Indexes; we have also been included in the FTSE4Good Emerging Index for eight years running. In addition, Acer has been ranked among the world's best employers by Forbes for four years running since 2020.

In accordance with ESG's mission and policies, Acer has established the Corporate Sustainability Committee (CSC), chaired by the Chairman and CEO, with the ESG Office serving as the Executive Secretary. The committee members include: General Manager, Chief Operating Officer, Chief Legal Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Sustainability Officer and other senior executives, who are responsible for approving sustainability visions, strategies and long-term goals, coordinate and integrate cross-departmental resources, oversee sustainability performance, supervise responses to sustainability-related risks and opportunities, and reporting regularly to the Board of Directors.

Under the Corporate Sustainability Committee, working groups on Corporate Governance, Risk Management, Green Products, Environmental Policy and Management, and Supply Chain Management are established to align with the medium to long-term sustainability objectives, develops annual goals and action plans, holds regular meetings to facilitate interdepartmental communication and coordination, and plans, executes, and tracks progress on action plans. The Corporate Sustainability Committee convenes twice a year to oversee and review the sustainability actions and implementation status of each working group, respond to stakeholder requests and expectations, review annual sustainability goals and develop medium- and long-term goals, and discuss and resolve important sustainability issues. In 2023, meetings were convened in June and December, with a 100% attendance rate achieved on both meetings.

The ESG Office is a dedicated department responsible for driving sustainable development, led by the Chief Sustainability Officer, who serves as the Executive Secretary of the Corporate Sustainability Committee. In addition to reporting regularly to the Corporate Sustainability Committee on trends, impacts and performance on sustainability-related issues, the ESG Office also serves as the Executive Secretary of the Corporate Sustainability Committee. It also plays a communication and integration role between the working groups and the Corporate Sustainability Committee. In addition, to effectively communicate with our global locations, we have also established ESG Executive Secretary at Regional Headquarters, who is responsible for formulating regional headquarters ESG action plans and programs to implement various sustainability issues management.

6.1 Environmental, Safety, and Health Management

6.1.1 Environmental Protection

6.1.1.1 Energy and Climate Change

In the area of energy and climate change, Acer continues to enact our Integrated Energy and Climate Change Strategy, completing third-party assurance of greenhouse gas emissions data from Acer Group locations worldwide. Along with the abovementioned integrated strategy, we have also set long-term carbon reduction targets in line with the methodology proposed by the Science-Based Targeting (SBT) initiative. We aim to reduce our operational carbon emissions (Scope 1 and 2) by 50% compared to the base year of 2019 by the year 2030, and our value chain emissions (Scope 3) by 35% compared to the base year of 2020.

In 2021, we announced that we have joined the global RE100 initiative, committing to achieve 100% renewable energy by 2035, and we have taken on the role of brand leader, proposing the "Earthion Sustainability Platform" project, which will extend our innovative and integrated solutions to environmental challenges to our supply chain partners, consumers, distributors and employees. We are working with our business partners to create a resilient supply chain and expand our positive impact on the global environment by introducing green innovations in all aspects of product design, production, transportation, and packaging to improve resource reuse, packaging reduction, and carbon footprint reduction.

Acer has been a part of the CDP (formerly the Carbon Disclosure Project) supply chain system since 2008, taking it a step further by auditing our suppliers' overall carbon management performance, carbon reduction results, and utilization of renewable energy to manage the environmental impact caused by our supply chain and incorporates suppliers' scorecard results into procurement evaluations. Through this approach, Acer is driving the enhancement of the overall supply chain's ability to respond to climate change. Since the year 2019, Acer has expanded its CDP Supply Chain initiative to include second-tier suppliers, and as of 2022, it has formally initiated the invitation of third-tier suppliers to respond to climate questionnaires. Through the completion of these supplier questionnaires, Acer aims to identify climate risks and opportunities among its suppliers. In the year 2023, Acer witnessed a nearly 30% increase in the number of suppliers responding to the CDP questionnaire compared to the previous year 2022. Additionally, Acer achieved recognition on the Supplier Engagement Leaderboard for the first time in the context of CDP Supply Chain initiatives.

Under the Group's sustainable development strategy, Acer actively promotes low-carbon transformation. In addition to establishing its own solar power generation system, Acer strategically invests in energy-saving equipment and long-term investments to expand its presence in renewable energy industries, smart energy management systems, and energy storage facilities. For instance, in 2022, Acer partnered with solar and energy management firm Green Harvest to acquire the Build-Operate-Transfer (BOT) project for the smart energy management system in Shalun Smart Green Energy Science City. Together, they established a joint venture company named Chih He Chin Tan Co., Ltd. with a registered capital of NT\$120 million. This entity focuses on deploying solar photovoltaic generation equipment, energy storage systems, smart grids, and energy management centers to promote the integration of energy transformation through energy creation, storage, conservation, and smart system integration. In the year 2023, Acer made investments in energy storage system development company Haoru Electric, amounting to no more than NT\$1.85 billion. Additionally, Acer acquired approximately 11% equity in lithium iron phosphate battery manufacturer C-LiFe Technologies, Inc. for a sum of NT\$330 million. These investments aim to strengthen Acer's presence throughout the upstream and downstream sectors of the energy storage industry. By offering comprehensive solutions ranging from manufacturing to application and from front-end to back-end services, Acer is committed to contributing to energy transformation and fulfilling its commitment to achieving net-zero emissions.

6.1.1.2 Product Life Cycle

Acer integrates the concept of a circular economy throughout the product lifecycle process, aiming to reduce the environmental impact of its products.

During the product design and development phase, we opt for materials with minimal environmental impact, such as post-consumer recycled plastics, for use in computer and display products. We also extend the use of these materials to various products within the Vero series, including projectors, computer peripherals, and bags/luggage. Additionally, we incorporate ocean-bound recycled plastics

into the touchpads of notebook computers and bags. Regarding chemical substance management, we have established lists of prohibited, restricted, and disclosure-required chemicals to reduce the use of hazardous substances. In terms of enhancing product energy efficiency, we adhere to the ENERGY STAR standards set by the United States for product design. We also consider product durability and reparability to prolong the product lifecycle.

During the product manufacturing phase, we collaborate with suppliers to enhance resource efficiency, reduce carbon emissions, and properly manage waste. Since 2019, we have been following the Responsible Business Alliance (RBA) Chemical Management List to monitor chemicals used in the manufacturing process, including toluene, benzene, beryllium dust, chlorinated organic solvents, hexane, N-methyl-2-pyrrolidone (NMP), and ozone-depleting substances. This has been incorporated into the key focus areas of our annual on-site audits. In 2021, we further revised our requirements in alignment with the RBA Chemical Management List, necessitating suppliers to comply with the updated chemical list starting from 2022. This revised list includes chemicals such as bromopropane, dichloromethane, methanol, tetrachloroethylene, and trichloroethylene.

In the product transportation phase, we collaborate with logistics partners to develop sustainable logistics strategies, moving towards low-carbon transportation.

In the product usage phase, the energy consumption of notebook computers has decreased by 42% compared to the year 2016, while the energy consumption of desktop computers has decreased by 38% compared to the same period.

In the product disposal phase, we offer multiple recycling channels, ultimately ensuring proper recycling and disposal by qualified recyclers and processors.

6.1.1.3 Office Carbon Reduction and Energy Saving

The major source of energy consumption for Acer is office electricity, of which air conditioning, lighting, and information equipment use are the primary ones. For effective management, we use systematic data collection to understand the usage situation and grasp the trend of change, and encourage each office area to carry out energy-saving measures such as optimizing power consumption equipment and strengthening power consumption management, and reduce office power consumption every year.

The Xizhi Headquarter conducts ISO 50001 energy management system certification every year and sets reduction targets each year. To further manage electricity usage, we established mid- to long-term goals for three office areas in 2022 and track progress annually.

In 2023, the main energy-saving measures included the replacement of chillers and water dispensers at the Acer Xizhi headquarter, the replacement of air conditioning cooling water pumps at the Acer Club, and the installation of timer controls for toilets and roof ventilation fans at the Acer Research Park. Additionally, the Longtan eDC aims to further control energy resource usage and is expected to implement the ISO 50001 energy management system in the third quarter of 2024.

6.1.2 Safety and Health

6.1.2.1 Environmental and Health and Safety Management System

Acer actively pursues balanced economic, environmental and social development. We understand that all of our products, services and activities may affect the communities and environments in which we operate and are committed to environmental protection. We also conduct objective due diligence when corporate mergers and acquisitions or business partnerships are required in response to market demands and organizational growth. We also recognize that the safety and health of our employees is the foundation of our business and are committed to maintaining a healthy and safe working environment. We require our employees to understand their roles and responsibilities. We also require suppliers, service providers, contractors, outsourcers, logistics providers, merged and acquired companies and value chain partners to reduce environmental impacts through lifecycle assessment management and to comply with Acer's environmental safety and health policies to fulfill our commitment to the environment, health and safety.

Acer revised its Environmental, Health, and Safety (EHS) policy in 2023, which was reviewed, approved, and supervised by the Acer Board of Directors.

To ensure our compliance with legal regulations and maintain occupational safety and health management performance, Acer Taiwan conducts annual ISO 45001 management system certification. Every year, we set up a system launch schedule with each unit selecting officers and representatives to form a team on environmental safety and health. We use internal and external training to develop the awareness and execution capabilities of occupational safety and health and conduct related common operations and internal/external audits to ensure that the system can maintain effective operation. In addition, to implement the PDCA cycle, the Occupational Safety and Health Committee convenes every quarter to report on the implementation of various operations and review and improve. To enable our employees to understand the safety and health management practices and results, we have established an internal safety and health website and information platform. At the same time, we are able to communicate with workers immediately to establish mutual consensus on their responses and feedback.

6.1.2.2 Working Environment and Employee Safety

To ensure that safety and health are effectively managed and monitored, we encourage employees to call our internal 1911 service line immediately if they find any safety and health issues in the workplace that could affect them. At the same time, employees can use the labor-management meeting to propose safety and health improvement suggestions, and the responsible department will evaluate and respond to the proposals according to their content. In addition, the ESH Team conducts an annual hazard assessment of the activities and service areas of all workers in the organization. At the same time, ESH Team conducts risk and opportunity assessment by investigating the needs and expectations of stakeholders. The ESH Team also sets management objectives for high-risk and high-opportunity items and propose a management plan, and track the implementation progress through regular meetings on a quarterly basis.

6.1.2.3 Emergency Response

The Company has established a comprehensive set of contingency plans and procedures to address major emergencies such as earthquakes, typhoons, power outages, water shortages, statutory infectious diseases, and other significant incidents. In compliance with legal regulations and to enhance employees' awareness of safety and health, Acer conducts annual drills and training sessions for fire emergencies, earthquakes, typhoon preparedness, power outages, and emergency medical responses. In 2023, a total of 58 personnel from Acer and 32 personnel from its subsidiaries participated in emergency medical response drills. We conduct various safety and health education trainings targeting different groups annually, aiming to enhance employees' awareness of safety and health, and foster a corporate culture of safety and health.

6.1.2.4 Employee Health

The Company has always considered our staff among our most important assets, and we believe that strengthening staff health management is a crucial factor in maintaining our competitiveness. Actual specific practices include: Carrying out annual employee health checks, hiring full-time medical staff to conduct employee health management, organizing a wide variety of activities and events promoting good health, sponsoring large-scale sports events, holding a range of sports competitions, encouraging the establishment of sports clubs, and fostering a pro-exercise internal environment. Through the trilogy of health check, health management and health promotion, we lead our employees to emphasize and pay attention to their own health issues, and work together to improve the abnormal items in the health check, in order to shape the image of a healthy enterprise.

6.2 Supply Chain Management

Acer and our suppliers are working together to provide customers with valuable products and services; these suppliers are our most important partners. Beyond economic value, we also focus on social and environmental value, building on a foundation of respect for human rights and working diligently toward a sustainable supply chain. With a solid foundation of cooperation and through the Acer Responsible Supply Chain Management (ARSM) mechanism, we jointly shoulder our responsibilities toward society and the environment alongside our supply chain.

The Company has been a member of the Responsible Business Alliance (RBA) since 2008 and participates in actions and discussions around supply chain social and environmental responsibility to better understand international trends in ESG and share in the practical experience of its members. Acer also requires all manufacturers and service providers to comply with both the RBA Code of Conduct and local regulations.

In addition, we carry out annual on-site RBA Code of Conduct supplier audits, gaining a deeper understanding of each location's working environment and the human rights conditions of the staff. We also encourage and require suppliers to uphold their corporate responsibility by ensuring their own suppliers implement socially and environmentally responsible management and to advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

We have also established the Acer Responsible Supply-Chain Management (ARSM) system, not only setting in place the social and environmental responsibilities of our first-tier suppliers but also rolling it out to second- and third-tier suppliers in phases. The goal of this is to further expand the reach of our sustainability responsibility and influence. The Company requires first-tier suppliers to implement risk assessment and management of second-tier suppliers based on the RBA Code of Conduct. We also carry out on-site audits and tracking of improvements for higher-risk suppliers. We have also integrated performance in these into our Supplier ESG Scorecard assessments, realizing and expanding the environmental and social responsibility of our supply chain.

To review suppliers' performance in ESG practices, we have developed the Acer Supplier ESG Scorecard, a mechanism for early identification and tracking of supply chain risks in the areas of sustainable operations; environment, energy and climate change; labor, ethics, health and safety management, and assist suppliers in taking necessary measures to eliminate or mitigate risks. Overall, average performance across supplier categories in the 2023 scorecard continued to show improvement. Nearly 72% of suppliers achieved an "excellent" standard, and 28% of suppliers were found to be at the "medium" level. We also use quarterly business reviews and other communication methods to demand that underperforming suppliers implement appropriate actions to improve their ESG performance. In addition, to protect labor human rights, we continue to take a variety of measures to ensure that no enslaved or trafficked labor is used in our supply chain. These include supplier risk assessments, declarations, audits, and training.

Responsible sourcing of minerals is also a significant ongoing concern for the Company. Responsible minerals efforts began with the issue of tantalum, tin, tungsten, and gold (3TG) conflict minerals in the Democratic Republic of the Congo (DRC), and the Company's responsible minerals management has now been strategically expanded to include responsible sourcing management that reduces social and environmental risks. In 2023, Acer continues to prioritize tantalum, tin, tungsten, gold, cobalt and mica in its responsible sourcing strategy and has issued a Responsible Minerals Report describing actions taken to conduct due diligence on priority minerals for the sixth consecutive year. We will continue to evaluate the priority minerals and participate in refining the process for recognition of the CAHRA. We will continue to assess priority minerals and participate in the process of defining conflict-affected and high-risk areas.

6.3 Communication

6.3.1 Stakeholder Engagement

Our vision is one of being a responsible global citizen, and we value the expectations of our relevant stakeholders, so we continually bring together the views of our stakeholders, including staff, customers, suppliers, investors, communities/charitable groups, governmental agencies, advocacy organizations, media, industry associations, and academic groups. In addition, we communicate our sustainability performance to internal and external stakeholders through our sustainability website, and we use a variety of methods

to communicate with stakeholders on an ongoing basis. On August 3, 2023, we reported the communication status with stakeholders to the board of directors.

6.3.2 Improving Supplier Capabilities, Supplier ESG Communication Meetings

At the annual supplier communication meeting, we shared the latest international corporate sustainability trends, human rights issues, and mitigation measures, as well as Acer's performance and goals in ESG management across the supply chain. In 2023, the communication highlights focused on EPEAT Climate+, the new standards of TCO Generation 10, and product carbon footprint to align with Acer's vision of "Tech Awakening," which emphasizes sustainability as its core design principle.

6.3.3 Customer Relationships

Acer's vision is to become a "leading brand company in sustainable management through innovation and attentive service and customer care, continuously improving the efficiency and quality of service". We believe that our attitude and approach of "pursuing quality in everything we do" helps us to remain competitive in the market. "To better meet the needs of our customers, we plan and conduct regular customer satisfaction surveys in line with the characteristics of each region around the world, using these to gather feedback from our customers, find areas in need of improvement, and strengthen the quality of our customer service. We have set in place a comprehensive global service system with service centers in each of our major operating locations, and we plan different service solutions based on different customer attributes and channel types. Consumers and business customers can contact us through multiple channels. In aggregate, our 2023 survey results show high global satisfaction, with positive customer evaluations accounting for 94% of total evaluations.

6.4 Information Security and Privacy Protection

To pursue sustainable business operations and protect customer trust, Acer will begin to promote a company-wide information security management system in 2019 and establish an information security policy as a basis for information security management to ensure the security of Acer's information assets and the continuity of information services, and to reduce the threat and impact of information security incidents. Acer successfully underwent third-party verification by BSI in March and September of 2023, ensuring the continued effectiveness of Acer's ISO 27001:2013 certification. The Company maintains mechanisms for planning, establishing, executing, and monitoring to safeguard the confidentiality, integrity, and availability of information assets.

We are committed to protecting our customers' confidential information and strictly adhere to our privacy policy. All employees are required to carefully safeguard confidential or proprietary information provided by customers, and our products make use of data security technology to protect the personal information of consumers. In addition, we have set up a dedicated mailbox to handle any complaints about privacy rights worldwide. In line with Taiwanese legislation on the protection of personal data information, from the point that we collect any personal information from a customer through any means, that information will be retained and used only when necessary until the customer requests its deletion.

No complaints were received in 2023 about invasion of customer privacy or loss of customer information. In 2023, Acer established the Group Information Security Governance Committee, responsible for formulating policies and conducting risk assessments related to group information security and protection. It regularly reports on the effectiveness of information security governance, relevant issues, and directions to the General Manager, Chairman, and Board of Directors. A total of 3,649 members of the Acer Group worldwide completed personal data privacy education and training in 2023.

6.5 Social Participation

6.5.1 Acer ESG Project Awards

The Acer Group operates in more than 160 countries around the world, and Acer subsidiaries in all regions are not only concerned with local social issues, but also take action to participate in community activities. To encourage employees to propose projects that respond to the United Nations' sustainability goals, and in conjunction with the company's Project Humanity global program, the Acer Global ESG Project Awards have been held for seven consecutive years to encourage employees to be creative and actively participate in community activities, demonstrating the corporate culture and spirit from the inside out.

The ESG Project Awards incorporate Social Return on Investment (SROI), the Community Investment Assessment Mechanism of the London Benchmark Group, and alignment with Acer's mission and contributions to the United Nations Sustainable Development Goals (SDGs) for award evaluation. These awards aim to expand the influence of ESG projects annually through the integration of activities across regional subsidiaries and employees. The 2023 Acer Global ESG Program continues to focus on themes such as "education" and "environment" from Acer Group projects around the world, including the following features: leveraging core competencies and products to achieve social impact; working in tandem with various stakeholders to create ESG synergy; and actively engaging employees to enhance their sense of recognition and satisfaction with the Company.

6.5.2 Charity

We have worked with several local charities around the world for many years. These partnerships not only help communities, but also strengthen our ties to them and bring them closer together. We work with communities to address pressing social challenges through our many programs of social care, fundraising activities and disaster relief. We encourage our staff to contribute to the community by volunteering their time and expertise to gain new experiences and ideas, and gain new energy to face the challenges of work and clients. Acer employees are entitled to two days of paid volunteer leave per year.

6.5.3 Art and Cultural Activities

Acer has long been committed to supporting cultural and artistic activities, aiding in cultural development through its support of creativity and the arts. This commitment not only enriches the lives of employees but also helps alleviate work-related stress and fosters creativity. Acer Group, Acer Foundation, and Acer Welfare Committee collectively sponsored cultural and artistic activities amounting to over NT\$7 million in 2023.

6.5.4 Acer Foundation

The Longterm Smile Competition was established in 1987, initially focusing on student-oriented awards for thesis writing, campus entrepreneurship, and smart internet competitions. Following the pulse of industry evolution, it evolved into an award aimed at encouraging corporate innovation by 2022. In 2023, the competition continues its tradition of selecting internationally competitive entries through a professional judging panel in the International category, while also pragmatically addressing sustainability efforts related to carbon reduction and circular economy in the Sustainable category. Acer looks forward to stimulating mutual growth with startup teams through the Longterm Smile Competition and collaborating with promising organizations in Taiwan to meet international challenges and implement sustainable development.

6.6 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation Status		Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>In accordance with ESG's mission and policies, Acer has established the Corporate Sustainability Committee (CSC), chaired by the Chairman and CEO, with the ESG Office serving as the Executive Secretary. The committee members include: General Manager, Chief Operating Officer, Chief Legal Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Sustainability Officer and other senior executives, who are responsible for approving sustainability visions, strategies and long-term goals, coordinate and integrate cross-departmental resources, oversee sustainability performance, supervise responses to sustainability-related risks and opportunities, and reporting regularly to the Board of Directors.</p> <p>Under the Corporate Sustainability Committee, working groups on Corporate Governance, Risk Management, Green Products, Environmental Policy and Management, and Supply Chain Management are established to align with the medium to long-term sustainability objectives, develops annual goals and action plans, holds regular meetings to facilitate interdepartmental communication and coordination, and plans, executes, and tracks progress on action plans. The Corporate Sustainability Committee convenes twice a year to oversee and review the sustainability actions and implementation status of each working group, respond to stakeholder requests and expectations, review annual sustainability goals and develop medium- and long-term goals, and discuss and resolve important sustainability issues.</p> <p>The ESG Office is a dedicated department responsible for driving sustainable development, led by the Chief Sustainability Officer, who serves as the Executive Secretary of the Corporate Sustainability Committee. In addition to reporting regularly to the Corporate Sustainability Committee on trends, impacts and performance on sustainability-related issues, the ESG Office also serves as the Executive Secretary of the Corporate Sustainability Committee. It also plays a communication and integration role between the working groups and the Corporate Sustainability Committee. In addition, to effectively communicate with our global locations, we have also established ESG Executive Secretary at Regional Headquarters, who is responsible for formulating regional headquarters ESG action plans and programs to implement various sustainability issues management.</p> <p>Implementation Status 2023:</p> <p>The Corporate Sustainability Committee regularly reports to the Board of Directors through the representative of sustainability. In 2023, a total of three reports were presented, covering strategic goals and achievements in sustainable development. The contents of the reports included discussions and deliberations on significant management objectives and plans, stakeholder engagement, climate strategies and net-zero emissions, carbon disclosure and climate-related financial disclosures, reviews of environmental health and safety policies, biodiversity commitments, product packaging and forest conservation policies, as well as supply chain management strategies. Directors provide feedback and recommendations on the aforementioned proposals, overseeing and supervising the implementation process.</p>	No Deviation

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>This disclosure encompasses the Company's sustainable development performance at its primary locations from January to December of 2023. The risk assessment boundary primarily focuses on Acer Incorporation.</p> <p>The Company conducts identification, assessment, and discussion of potential and emerging risks across three major dimensions: environmental, social, and corporate governance. The Risk Management organization employs a Risk Map, assessing the potential threat level of each risk to the Company's future operations based on the likelihood of occurrence and the magnitude/severity of potential losses in the event of risk manifestation. Risk classification is performed to determine the priority order in risk management strategies. We continuously and proactively engage in relevant risk management activities, adopting a proactive prevention approach to prudently address various present and future risks and challenges. The Audit Committee also summarizes the risk environment, risk management focuses, risk assessment results, and corresponding response measures, which are reported to the Board of Directors by the Chairman.</p>	No Deviation
III Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		<p>The Company employs the ISO 14001 Environmental Management Systems international standard to establish standard procedures for environmental management at each operating location, as well as continuously maintaining valid certifications. In 2023, the bulk of the Company's Taiwanese business sites passed new ISO 14001:2015 Environmental Management System review, continuing to receive third-party certification. Other subsidiaries that have introduced ISO environmental management systems have similarly passed ISO 14001:2015 review. Source: https://www.acer.com/sustainability/uploads/files/shares/certificates/en/ISO14001_Taiwan_en.pdf</p>	No Deviation
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		<p>The Company is committed to reducing the impact of our operations and products on the environment and to improving our resource usage efficiency. Acer has set sustainability goals and expects to achieve by 2025: a 45% reduction in average personal computer energy consumption by 2025 (base year: 2016); and a target of using 20-30% post-consumer recycled plastics in its core products.</p> <p>Acer maintains the continued use of post-consumer recycled plastics and an emphasis on recyclable design in product packaging, with easily recyclable materials a priority in packaging material selection. On top of this, all of the posters included with products are produced with Forest Stewardship Council certified paper, while all printing uses environmentally friendly water-based and soy inks.</p> <p>In 2023, Acer's computer and monitor products utilized 18.8% post-consumer recycled plastic. From 2020 to 2023, over 40 million units of computer and monitor products utilized post-consumer recycled plastic. Additionally, we address the issue of marine plastic pollution by utilizing recycled ocean-bound plastic (OBP), transforming it into recyclable materials. We incorporate OceanBound Plastic into our products, such as OceanGlass touchpads for laptops and bags made from recycled ocean-bound plastic. Through the use of post-consumer recycled plastic and ocean-bound plastic, we aim to reduce the accumulation of improperly disposed plastic waste and underscore our joint commitment to environmental concerns with consumers.</p>	No Deviation

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		<p>We have implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and established an internal carbon pricing mechanism to comprehensively and effectively manage climate risks and opportunities. This includes to grasp the risks associated with climate change-related policies and regulations, physical operations, and transition strategies. We are analyzing and developing countermeasures for the various factors involved in these risks according to their probability of occurrence and their potential impact. In addition, with regard to opportunities that come with climate change, we continue to pursue improvements to product energy efficiency, but also strive to integrate our existing and new business groups to create a unified low carbon, sustainable strategies and innovative products.</p> <p>We have established Science Based Targets (SBT) in alignment with the 1.5°C temperature control goal of the Paris Agreement, implementing various carbon reduction measures. Additionally, we have entered into long-term Corporate Power Purchase Agreements (CPPA) for renewable energy procurement and engaged in carbon offsetting initiatives, including carbon credit development, carbon capture, and utilization research.</p> <p>Our Company published its first Task Force on Climate-related Financial Disclosures (TCFD) Report in 2023. https://www.acer.com/sustainability/uploads/files/shares/tcfd-report/2022_Acer_TCFD_Report.pdf</p>	No Deviation
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		<p>The Company continues to collect information on electricity, water, and waste through its online system, and discloses greenhouse gas emissions, water consumption, and total waste weight in its annual sustainability report. The following describes relevant management:</p> <ol style="list-style-type: none"> Greenhouse gas: We also have an integrated energy and climate change strategy and have set long-term carbon reduction targets in line with the methodology proposed by the Science-Based Targeting (SBT) initiative. We aim to reduce our operational carbon emissions (Scope 1 and 2) by 50% compared to the base year of 2019 by the year 2030, and our value chain emissions (Scope 3) by 35% compared to the base year of 2020. As far as greenhouse gas information is concerned, we obtained ISO 14064-1 certification through third-part assurance. Water consumption: In2023, Acer's total global water consumption was141,795.95 m³ (including approximately 12,542 m³ of well water), which represents a decrease of 12.82% compared to the previous year. The company's water consumption has been declining consistently over the past five years. Waste products: Acer's main source of waste is general waste. In order to reduce waste output, we encourage our employees to reduce the use of disposable plastic, tableware, and paper cups, and to strengthen waste reuse through the implementation of various resource recycling and regular business waste recycling management methods. With 2022 as the base year, we set a global waste disposal target: <ul style="list-style-type: none"> (1) Short-term goal: 1% reduction in 2023 compared with the base year (2) Medium and long-term goal: 10% reduction in 2030 compared with the base year Water, waste, and greenhouse gas information is verified by SGS, a third-party verification firm, and disclosed in the Sustainability Report. 	No Deviation

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																	
	Yes	No	Description																		
	✓		<p>Our greenhouse gas emissions, water consumption, and total waste production for 2022 and 2023 are as seen below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Greenhouse Gas Emissions (tCO₂e)</th> <th rowspan="2">Water Consumption (m³)</th> <th rowspan="2">Total Waste Generation (tonne)</th> </tr> <tr> <th>Scope 1</th> <th>Scope 2 (market-based)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>2,705.30</td> <td>8,793.92</td> <td>162,655</td> <td>2,165</td> </tr> <tr> <td>2023</td> <td>2,339.03</td> <td>7,978.28</td> <td>141,796</td> <td>1,884</td> </tr> </tbody> </table> <p>Acer has kept collecting statistics on greenhouse gas emissions, water consumption and total waste weight. The information for the year 2023 is still in progress as of the printing date of the annual report. For the latest information, please refer to the ESG information summary in the sustainability report on our company's website at https://www.acer.com/sustainability/en/download</p> <p>Note: ISO14064-1 certificate download: https://www.acer.com/sustainability/en/download</p>	Year	Greenhouse Gas Emissions (tCO ₂ e)		Water Consumption (m ³)	Total Waste Generation (tonne)	Scope 1	Scope 2 (market-based)	2022	2,705.30	8,793.92	162,655	2,165	2023	2,339.03	7,978.28	141,796	1,884	No Deviation
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	Scope 1	Scope 2 (market-based)																			
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2023	2,339.03	7,978.28	141,796	1,884																	
<p>IV. Social Issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and the International Bill of Human Rights?</p>	✓		<ol style="list-style-type: none"> Respect for human rights has always been among Acer's fundamental values. To this end, we have established the Acer Group Human Rights Policy, which applies to all Acer Group companies and organizations. We take human rights into account at all points in our value chain, including employees, customers, suppliers, and partners. We also ask our suppliers and partners to take consistent action with Acer to comply with the standards of this policy and uphold human rights. We support and follow the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization's core labor standards and local laws and regulations in formulating human rights policies and implement human rights protection based on the principles of protection, respect, and remedy. Assessing potential human rights issues is part of Acer's risk management, with such issues identified, assessed, and discussed by members of the Risk Management Working Group. The responsible units then formulate, implement, and manage mitigation actions for issues so identified. Human rights issues mainly affect: Acer employees, employees of suppliers (third-party employees), and children. Human rights risks identified in 2023 include: forced labor, freedom of association, equal pay, discrimination, child labor, and other issues. We continue to provide training on human rights protection issues for Acer employees worldwide, offering education and training courses on issues such as operates with integrity business standards of conduct, anti-corruption, privacy, safe and healthy working environments, and sexual harassment prevention to create a friendly work environment built around equality, tolerance, and respect. In 2023, Acer offices worldwide had 25,920 participants in training related to human rights protection for 65,459 course hours. Average of 10.3 hours of training per person. 	No Deviation																	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
<p>(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p>	✓		<ol style="list-style-type: none"> Workplace Diversity and Equality: Wherever we are in the world, Acer strives to adhere to labor laws when hiring staff. We insist on equal opportunity employment, hiring through an open selection process that does not discriminate on the basis of factors that have no bearing on work capability, including ethnicity, skin color, age, religious belief, nationality, ancestry, marital status, gender, sexual orientation, gender identity, military service, or political beliefs. With our focus on hiring the best people for the job, we have been able to assemble a diverse array of outstanding talent. As of 2023, female staff accounted for 38% of total staff; 31% of management, and 23% of senior management. Friendly Parenting Environment and Benefits: In consideration of female employees nearing childbirth, to alleviate the daily commuting strain and reduce the time pressure of caring for newborns, while simultaneously enhancing the quality of work and family life. Acer provides the "Acer Baby - Employee Parenting Assistance and Workplace Adjustment Program" for employees with parenting needs during pregnancy and postpartum. Eligible colleagues can apply for remote work in a location other than their original workplace one month before their due date. Within the first two years of their child's life, they can request up to two days of remote work per week. Vacations: In addition to granting employees leave in accordance with the law, Acer has several other practices that go beyond the Labor Standards Act, such as: giving full pay for sick leave, giving new staff a more annual leave days than regulations require, allowing staff to take advance special leave, providing paid volunteer leave, and offering flexible leave for Saturday make-up days. Gifts & Grants: In addition to the benefits as stipulated by law, Acer also provides group life insurance, accident insurance, cancer insurance, and hospital room and board insurance. At the same time, we also provide financial bonuses for Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year, and birthdays, as well as cash gifts for weddings and funerals and sponsorships for employees' children. Employee Remuneration: Offering competitive remuneration to attract and retain top talent in the market is one of Acer's important human resources policies. The Company conducts a global survey of salaries among peers every year to formulate a reasonable and competitive salary system. We also provides differentiated performance bonuses to employees based on the performance of each unit and the real contributions of staff members. Taking Taiwan for example, in addition to the fixed monthly salary and festival bonuses, Acer offers incentives that reward new innovations, intellectual property rights, sales achievements, performance bonus and profit sharing. At the same time, an employee stock ownership association trust has been established since 2022 to encourage employees to save and accumulate pensions. 	No Deviation

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<ol style="list-style-type: none"> To effectively implement internal communication and health & safety policy, we have put in place an environmental health and safety management system and brought together representatives of various units to form an Occupational Safety and Health Committee. Each year, health and safety projects are carried out in line with the annual plan, ensuring that the system continues to function effectively. We have also launched a range of health and safety education and training programs to ensure compliance with laws and regulations. In order to comply with laws and regulations and maintain occupational safety and health management performance, Acer Taiwan conducts ISO 45001 management system certification every year, the certificate remains valid until October 20, 2026 . We take every accident in the workplace seriously. When an accident is reported, we provide health care to the injured employee, initiate investigation with labor representatives, develop corrective measures and conduct internal promotion to prevent recurrence of the accident. Although traffic accidents that occur during commuting are not included in the occupational accident statistics, we keep track of them because they are the main type of accidents. We take every accident in the workplace seriously. When an accident is reported, we provide health care to the injured employee, initiate investigation with labor representatives, develop corrective measures and conduct internal promotion to prevent recurrence of the accident. Regarding global occupational injury statistics, data collection follows the GRI 403 guidelines. Analysis reveals that the most prevalent occupational injury categories are slips, trips, and falls, followed by burns. In 2023, there are no major occupational accidents (excluding traffic accidents). And there were no reported cases of occupational diseases. In 2023, there were no reported incidents of fire accidents. We enhanced employee safety awareness through education and training while implementing related measures such as emergency response management. 	No Deviation
(IV) Has the Company established effective career development training programs for employees?	✓		The company provides training programs for newcomers, specialist training for job categories, management training (including junior, middle, senior, and cross-level management training), and general education (including ESG-related training and internal instructor training), and provides employees with career development opportunities and challenges in line with the development needs of the organization and the abilities of employees, enabling people to make the best use of their talents and create value together.	No Deviation
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		We adhere to all laws and regulations pertaining to customer health and safety, customer privacy, and marketing/labeling with regard to products and services across the regions in which we operate. In accordance with the law, all products and services carry required labeling and product information. Manuals for products include guidelines for safe usage, laying out proper usage of the product and relevant items to be aware of, as well as environmentally friendly recycling methods for when replacing a product. Consumers will also find details on how to contact how to find our website, facilitating troubleshooting via telephone or online customer service.	No Deviation

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<ol style="list-style-type: none"> Contracts between the Company and its primary suppliers include compliance with relevant ESG policies, regulations, and codes of responsible business conduct. We have adopted the RBA Code of Conduct and are dedicated to compliance in terms of environmental, health and safety, labor rights, ethics, and management systems. With reference to the RBA Supplier Engagement Process, Acer makes use of a range of supplier social and environmental management approaches, engaging with suppliers through multiple channels and working with them to improve their capabilities. We implement supplier ESG scorecards to review supplier ESG practices and performance. This score is included in quarterly business review (QBR) for key product lines and critical components, and is presented to Acer and supplier senior executives to create a driving force in the business relationship. The overall performance of suppliers on the ESG scorecard in 2023 continued to improved, with 72% of suppliers achieving an “excellent” standard and 28% at the “medium” level. We also use quarterly business reviews and other communication methods to demand underperforming suppliers implement appropriate actions to improve their ESG performance. 	No Deviation
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		<ol style="list-style-type: none"> The content and structure of Acer's sustainability report follows the Global Reporting Initiative's (GRI) GRI Sustainability Reporting Standards Universal Standards 2021 and uses the Sustainability Accounting Standard Board (SASB) Sustainability Indicators and the Task Force on Climate related Financial Disclosures (TCFD) framework. The sustainability report is accompanied by a cross-reference for GRI and SASB indicators. SGS Taiwan was contracted in accordance with the limited assurance standards of ISAE3000. 	No Deviation
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations:			<p>To boost Acer's overall competitiveness; fulfill our corporate responsibility in social, economic and environmental terms; and make Acer a leading brand, our Standards of Integrity Management & Business Conduct SIMBC gives Acer employees worldwide guidance and principles for conduct when interacting with customers, business partners, stakeholders, and the community. These standards provide fundamental guidance and instruction to staff for interactions with customers, business partners, shareholder, and the community. They are built around Acer's core values of passion, user-orientation, innovation, teamwork, balancing interests, and integrity, and serve as detailed guidelines for decision-making and action with regard to working environments, environmental protection, business matters (e.g., user-oriented commitments, fair competition, and conflicts of interest), supply chain management, gifts & hospitality, finance, information security, the law, marketing communication, and community engagement.</p> <p>We have also formulated our Principles of Corporate Governance Best-Practice, Anti-Bribery and Anti-Corruption Policy, Antitrust and Fair Competition Guidelines, Regulations on Insider Trading, Personal Information Protection Policy, and Subject Regulations of Prevention, Complaint and Punishment of Sexual Harassment to strengthen ESG at all levels of our business activities. For further information on the Company's ESG/ sustainable development operations, please refer to this report's explanation of “sustainable development” and related ESG information on our corporate website. Websites: https://www.acer.com/sustainability/en</p>	
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:			<p>Please visit the following websites to learn more about Acer's efforts and achievements in promoting ESG</p> <p>Sustainable Acer: https://www.acer.com/sustainability/en</p>	

6.7 Climate-Related Information for TWSE/TPEX Listed Companies

6.7.1 Implementation of Climate-Related Information

Item	Implementation status
Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	We integrate our climate-related risk management into our risk management policies and operating procedures. The Board of Directors/Risk Management Committee are the highest authorities responsible for the Company's risk management which promotes and implements the Company's overall risk management policy in accordance with the overall operating strategy and business environment to ensure effective risk management. The Acer Risk Management Executive Committee is responsible for approving/declaring the environmental risk, risk management priorities, assessment results and related response measures, and supervises the continuous improvement of risk management and performance. The executive committee is composed of the top executives of each business unit/functional organization at the headquarters with the top of the auditing department as an observer to the supervisor, managing risks including strategic risk, operational risk, financial risk, disaster risk, and climate change, and reporting to the Risk Management Committee and Board of Directors at least once a year. For implementation, the Risk Management Working Group under the Risk Management Executive Committee is the unit responsible for introducing the TCFD climate risk assessment framework and conducting climate risk identification, climate scenario and operational impact assessment, formulating climate risk prevention and mitigation measures based on the assessment and report to the Risk Executive Committee.
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Acer's Risk Management Working Group incorporates the potential impacts of climate change into overall operational considerations, assessing the probability and magnitude of risks. Following the principle of materiality, it evaluates climate-related transition risks and physical risks, assessing the potential impacts and consequences on the responsible business units in case of significant risk occurrence. Additionally, it devises climate risk prevention and mitigation actions, responding to identified climate-related material issues with concrete action plans. To effectively manage climate risks and achieve our 2050 net-zero carbon emissions target, we have identified and prioritized high-risk areas, moderate-risk areas, and opportunities based on climate risk assessments. We have also released key strategies for achieving net-zero, consisting of three main areas and nine specific strategies. Our focus is on reducing carbon footprints comprehensively through three strategic approaches: business operations, product services, and low-carbon supply chains. We have developed concrete action plans to address the identified climate-related issues. For more details on Acer's identified short, medium, and long-term risks and opportunities, as well as our climate actions, please refer to Acer's Task Force on Climate-related Financial Disclosures (TCFD) Report.
Describe the financial impact of extreme weather events and transformative actions.	The climate risk matrix identified by Acer included three high-risk factors which are transition risks, namely increased demand for and regulations related to sustainability, increased costs of greenhouse gas emissions, and regulations and impact on existing products and services. We believe that in the face of emerging global extreme events, governments worldwide are likely to strengthen sustainable regulations on businesses and implement carbon pricing mechanisms (such as carbon taxes or fees) to enhance their climate resilience. Consequently, they may gradually introduce measures such as the European Union's Carbon Border Adjustment Mechanism (CBAM), Taiwan's Climate Change Response Act, emerging sustainable product design specifications (such as the proposed Ecodesign for Sustainable Products Regulation in the EU), climate information disclosure requirements (such as Taiwan's Sustainable Development Pathway for listed companies and the EU's Corporate Sustainability Reporting Directive), as well as regulations and policies related to renewable energy or environmental matters. These actions may prompt Acer to increase operational costs to comply with relevant regulations, potentially affecting product competitiveness as suppliers adjust prices to accommodate new requirements or cover carbon emission costs. With regard to climate opportunities, we believe that low-carbon products and services can not only meet the recent environmental and carbon footprint requirements of various national policies and regulations, but may also mitigate future carbon tax increases under carbon tariffs or other ESG related taxes. The willingness to buy environmentally friendly products may also help us acquire orders and increase business revenue while increasing brand value, bringing multiple benefits.
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Acer incorporates climate risk identification and assessment into the enterprise risk management (ERM) process, through the three lines of defense of the risk management organization, self-assessment and process improvement of each business unit, procedural guidance and legal compliance of each support department, and the audit management procedures of internal audit unit. We integrate the ERM implementation with the daily operating procedures of each department/unit and the Company's business targets, and integrate the ESG and climate factors into the decision-making process. Through the PDCA cycle, we conduct regular reviews on the effectiveness of the risk management plan and the improvement possibility during the working group meeting for continuous adjustment/improvement.

Item	Implementation status
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Acer's climate scenarios are based on those published by international organizations, including the Representative Concentration Pathways (RCP) 2.6 and 8.5 from the Intergovernmental Panel on Climate Change (IPCC), the Net Zero Emissions (NZE) 2050 scenario from the International Energy Agency (IEA), and the Nationally Determined Contributions (NDCs) of Taiwan. Under these scenarios, we assume reference to the Announced Pledges Scenario (APS) of the IEA, which involves developed economies, emerging markets, and developing economies committing to net-zero emissions. Additionally, based on a study commissioned by the Environmental Protection Administration and conducted by the London School of Economics (LSE), we estimate the carbon fee prices in Taiwan according to the "Carbon pricing options for Taiwan" research report. We estimate the financial impacts Acer may face in the year 2030, including the carbon fees and compliance expenses at each operational location in Taiwan, the costs transferred from upstream suppliers due to greenhouse gas emission fees, and potential carbon border tariffs on products exported to carbon-taxing countries.
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Acer shoulders the mission of being a leader and promises to achieve net zero emissions by 2050 and increase the share of renewables in electricity consumption to 100% by 2035. It also looks to integrate existing and new business groups to formulate low-carbon sustainable business strategies, create ESG value and ultimately improve corporate competitiveness. To achieve the net zero carbon emission by 2050, Acer has announced the key strategies including 9 directions under 3 major pillars. We are committed to reducing carbon footprint and emissions with 3 dimensions of business operation, product and service, and value chain. In our business operations, we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and implemented an internal carbon pricing mechanism to comprehensively and effectively manage climate risks and opportunities. We have formulated science-based targets (SBTs) to reduce our operational carbon emissions (Scope 1 and 2) by 50% compared to the base year of 2019 by the year 2030, and our value chain emissions (Scope 3) by 35% compared to the base year of 2020. These targets are aligned with the 1.5°C temperature goal of the Paris Agreement. Additionally, we have implemented various carbon reduction measures and entered into long-term contracts for purchasing renewable energy through Corporate Power Purchase Agreements (CPPAs), and engaged in carbon offset initiatives including carbon credit development, carbon capture and utilization, and research on carbon sequestration to achieve carbon neutrality. In product and service, Acer incorporates the circular economy concept and considers the product life cycle in R&D and innovation to reduce the environmental impact and balance product management and environmental performance. Acer launched the environmentally friendly Vero product line. It all begins with raw materials as we continue to increase the use of sustainable materials such as post-consumer recycled plastics (PCR) and ocean-bound plastic (OBP) to reduce the material carbon footprint. Additionally, Acer commits to following international standards for carbon footprint calculation and carbon neutrality for its Vero Laptop Line. In the value chain, since "Project Humanity" in 2017, Acer has been implementing environmentally friendly actions and laying the foundation for a net zero carbon emission strategy with global employees for a low-carbon supply chain. In 2021, we launched the "Earthion" project to promote carbon reduction action to suppliers and work closely with suppliers and partners in projects such as energy, product design, packaging design, manufacturing, logistics and recycling.
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	To implement carbon reduction efforts and proactively address the international trend of carbon pricing, such as the European Union's Carbon Border Adjustment Mechanism (CBAM) and carbon fee mechanisms, Acer has introduced an internal carbon pricing mechanism. This mechanism is designed to drive proactive carbon reduction actions across departments and operational locations and serves as a basis for evaluating the Company's adoption of innovative low-carbon solutions, such as Nature-based Solutions, hydrogen technology, and carbon negative technologies. The foundation of our internal carbon pricing is established based on the State and Trends of Carbon Pricing 2020 report by the World Bank. To align with the objectives of the Paris Agreement, aiming to limit global warming to 2 degrees Celsius, the global carbon price level is expected to fall within a carbon price corridor by 2030. This corridor, as recommended by the High-Level Commission on Carbon Prices, ranges between US\$50 to US\$100 per ton of CO2 equivalent.
If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	To implement carbon reduction efforts and proactively address the international trend of carbon pricing, such as the European Union's Carbon Border Adjustment Mechanism (CBAM) and carbon fee mechanisms, Acer has introduced an internal carbon pricing mechanism. This mechanism is designed to drive proactive carbon reduction actions across departments and operational locations and serves as a basis for evaluating the Company's adoption of innovative low-carbon solutions, such as Nature-based Solutions, hydrogen technology, and carbon negative technologies. The foundation of our internal carbon pricing is established based on the State and Trends of Carbon Pricing 2020 report by the World Bank. To align with the objectives of the Paris Agreement, aiming to limit global warming to 2 degrees Celsius, the global carbon price level is expected to fall within a carbon price corridor by 2030. This corridor, as recommended by the High-Level Commission on Carbon Prices, ranges between US\$50 to US\$100 per ton of CO2 equivalent.
Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	separately fill out in 6.7.2 below

6.7.2 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Fiscal Years

6.7.2.1 Greenhouse Gas Inventory Information

Our greenhouse gas emissions for 2022 and 2023 are as seen below:

	Greenhouse Gas Emissions (tCO ₂ e)		CO ₂ eTonnes/million NT\$
	Scope 1	Scope 2 (market-based)	
2022	2,705.30	8,784.50	0.04
2023	2,339.03	7,978.28	0.04

Note 1: Greenhouse gas emissions inventory scope aligns with the boundary of the consolidated financial statements of the Group.

Note 2: The information for the year 2023 is still in progress as of the printing date of the annual report. For the latest information, please refer to the ESG information summary in the sustainability report on our company's website at <https://www.acer.com/sustainability/zh>

6.7.2.2 Greenhouse Gas Assurance Information

Since 2011, we have conducted annual GHG inventories in accordance with the GHG Protocol and in line with the Group's consolidated financial reporting boundaries. We also commissioned a third-party verification agency certified by Taiwan's Environmental Protection Administration to undertake greenhouse gas emission verification for both direct and indirect categories, i.e., Scope 1, Scope 2, and Scope 3, and acquired the ISO 14064-1: 2018 Greenhouse Gas Verification Statement. For the years 2022 and 2023, Acer's greenhouse gas emissions were verified by SGS Taiwan Limited. In 2022, the Company provided an unqualified opinion. As of the publication date of the annual report, the verification of information for the year 2023 is still ongoing.

6.7.2.3 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Acer commits to achieve net zero emissions by 2050, increase the share of renewables in electricity consumption to 100% by 2035 and set a Science Based Target (SBT) that is by 2030, to reduce carbon emissions by 50% in organizational operations compared to 2019, and reduce the value chain emissions by 35% compared to 2020. In our business operations, we have implemented various carbon reduction measures and entered into long-term contracts for purchasing renewable energy through Corporate Power Purchase Agreements (CPPAs), and engaged in carbon offset initiatives including carbon credit development, carbon capture and utilization, and research on carbon dioxide removal to achieve carbon neutrality. In product and service, Acer incorporates the circular economy concept and considers the product life cycle in R&D and innovation to reduce the environmental impact and balance product management and environmental performance. In the value chain, in 2021, we launched the "Earthion" project to promote carbon reduction action to suppliers and work closely with suppliers and partners in projects such as energy, product design, packaging design, manufacturing, logistics and recycling. In 2022, the verified carbon emissions from operation (Scope 1, 2) were 11,490 tonnes, a reduction of 16.5% from the base year of 2019; Scope 3 emissions have reached 6,694,195 tonnes, a decrease of 17.7% compared with the base year of 2020, both are meeting the expected reduction target. As of the publication date of the annual report, the verification of information for the year 2023 is still ongoing.

Financial Standing



7.1. Five-Year Condensed Balance Sheets and Statement of Comprehensive Income

7.1.1 Condensed Balance Sheet

Financial Information (Consolidated)

Unit: NT\$ Thousands

Item	Period	2019	2020	2021	2022	2023
Current assets		121,729,074	148,736,476	175,095,238	146,657,025	157,566,038
Property, plant and equipment		3,561,644	3,865,909	4,055,870	4,298,887	4,423,825
Intangible assets		16,930,072	16,292,729	16,527,283	18,530,591	18,855,332
Other assets		13,875,774	15,013,558	19,109,920	19,553,216	27,888,651
Total assets		156,096,564	183,908,672	214,788,311	189,039,719	208,733,846
Current liabilities	Before Distribution	84,473,257	110,720,318	129,423,055	99,523,732	107,209,551
	After Distribution	86,804,540	115,221,980	136,264,864	104,025,394	112,019,483 (note)
Non-Current liabilities		12,428,068	11,246,390	19,342,313	19,081,792	21,182,230
Total Liabilities	Before Distribution	96,901,325	121,966,708	148,765,368	118,605,524	128,391,781
	After Distribution	99,232,608	126,468,370	155,607,177	123,107,186	133,201,713 (note)
Equity						
Common stock		30,749,338	30,478,538	30,478,538	30,478,538	30,478,538
Capital surplus	Before Distribution	28,152,962	27,378,068	27,514,269	27,795,883	27,805,176
	After Distribution	27,174,650	27,448,187	27,621,567	27,866,002	27,871,810 (note)
Retained Earnings	Before Distribution	6,196,256	10,869,033	16,886,389	14,897,145	18,490,986
	After Distribution	4,843,285	6,297,252	9,937,282	10,325,364	13,614,420 (note)
Other equity		(4,342,227)	(5,517,452)	(8,287,624)	(4,309,253)	664,598
Treasury Stock		(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)	(2,712,774)
Non-controlling interests		1,353,766	1,648,633	2,346,227	4,486,738	5,615,541
Total equity	Before Distribution	59,195,239	61,941,964	66,022,943	70,434,195	80,342,065
	After Distribution	56,863,956	57,370,183	59,181,134	65,932,533	75,532,133 (note)

Note: The amount approved by Board of Directors on March 14, 2024.

Financial Information (Unconsolidated)

Unit: NT\$ Thousands

Item	Period	2019	2020	2021	2022	2023
Current assets		43,308,261	61,019,791	82,248,594	46,888,721	53,165,047
Property, plant and equipment		1,310,885	1,844,520	1,740,178	1,754,509	1,805,810
Intangible assets		207,915	180,529	175,814	179,677	179,704
Other assets		71,916,038	73,557,412	78,832,252	88,527,197	96,538,364
Total assets		116,743,099	136,602,252	162,996,838	137,350,104	151,688,925
Current Liabilities	Before Distribution	50,149,978	69,214,147	84,291,938	56,177,452	59,581,742
	After Distribution	52,481,261	73,715,809	91,133,747	60,679,114	64,391,674 (note)
Non-Current liabilities		8,751,648	7,094,774	15,028,184	15,225,195	17,380,659
Total Liabilities	Before Distribution	58,901,626	76,308,921	99,320,122	71,402,647	76,962,401
	After Distribution	61,232,909	80,810,583	106,161,931	75,904,309	81,772,333 (note)
Equity						
Common stock		30,749,338	30,478,538	30,478,538	30,478,538	30,478,538
Capital surplus	Before Distribution	28,152,962	27,378,068	27,514,269	27,795,883	27,805,176
	After Distribution	27,174,650	27,448,187	27,621,567	27,866,002	27,871,810 (note)
Retained Earnings	Before Distribution	6,196,256	10,869,033	16,886,389	14,897,145	18,490,986
	After Distribution	4,843,285	6,367,371	10,043,864	10,325,364	13,614,420 (note)
Other equity		(4,342,227)	(5,517,452)	(8,287,624)	(4,309,253)	664,598
Treasury Stock		(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)	(2,712,774)
Total equity	Before Distribution	57,841,473	60,293,331	63,676,716	65,947,457	74,726,524
	After Distribution	55,510,190	55,791,669	56,834,907	61,445,795	69,916,592 (note)

Note: The amount approved by Board of Directors on March 14, 2024.

7.1.2 Condensed Statement of Comprehensive Income

Financial Information (Consolidated)

Unit: NT\$ Thousands

Item	Period	2019	2020	2021	2022	2023
Revenue		234,285,354	277,112,477	319,005,456	275,423,744	241,308,142
Gross profit		24,716,786	30,119,615	37,191,056	29,744,487	25,823,225
Operating income		3,077,814	8,935,838	14,162,861	6,927,697	4,225,411
Non-operating income and (expenses)		634,206	(30,735)	1,272,784	946,124	3,573,384
Income (loss) before taxes		3,712,020	8,905,103	15,435,645	7,873,821	7,798,795
Net income (loss)		2,568,374	6,145,610	11,287,313	5,603,292	5,631,164
Other comprehensive income (loss)		(950,104)	(1,171,551)	(3,142,607)	3,927,825	8,187,761
Total comprehensive income (loss)		1,618,270	4,974,059	8,144,706	9,531,117	13,818,925
Net income (loss) attributable to shareholders of the Parent		2,632,565	6,029,287	10,897,427	5,003,688	4,931,944
Net income (loss) attributable to non-controlling interests		(64,191)	116,323	389,886	599,604	699,220
Total comprehensive income (loss) attributable to shareholders of the Parent		1,693,913	4,850,535	7,818,893	8,930,204	13,141,580
Total comprehensive income (loss) attributable to non-controlling interests		(75,643)	(123,524)	325,813	600,913	677,345
EPS (in New Taiwan Dollars)		0.87	2.01	3.63	1.67	1.64

Consolidated financial statements for each year have been audited by CPA.

Financial Information (Unconsolidated)

Unit: NT\$ Thousands

Item	Period	2019	2020	2021	2022	2023
Revenue		173,659,404	209,586,473	246,828,456	169,284,764	150,992,910
Gross profit		7,735,758	10,523,192	15,332,968	10,132,296	7,461,717
Operating income		2,299,916	4,490,834	8,504,857	4,217,143	3,523,710
Non-operating income and (expenses)		964,619	2,873,428	5,198,004	2,142,707	2,764,862
Income (loss) before taxes		3,264,535	7,364,262	13,702,861	6,359,850	6,288,572
Net income (loss)		2,632,565	6,029,287	10,897,427	5,003,688	4,931,944
Other comprehensive income (loss)		(938,652)	(1,178,752)	(3,078,534)	3,926,516	8,209,636
Total comprehensive income (loss)		1,693,913	4,850,535	7,818,893	8,930,204	13,141,580
EPS (in New Taiwan Dollars)		0.87	2.01	3.63	1.67	1.64

Financial statements for each year have been audited by CPA.

7.1.3 CPAs' and Auditors' Opinions

CPAs and opinions in the past five years

Year	Name of CPA(s)	Auditors' Opinion
2019	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2020	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2021	Huei-Chen Chang, Ching-Wen Kao	An Unqualified Opinion
2022	Huei-Chen Chang, Ching-Wen Kao	An Unqualified Opinion
2023	Wei-Ming Shih, Ching-Wen Kao	An Unqualified Opinion

7.2 Five-Year Financial Analysis

Financial Information (Consolidated)

Item		Period	2019	2020	2021	2022	2023
Financial Ratio	Total liabilities to total assets(%)		62.08	66.32	69.26	62.74	61.51
	Long-term debts to fixed assets (%)		2,010.96	1,893.17	2,104.73	2,082.31	2,294.94
Ability to Payoff Debt	Current ratio(%)		144.10	134.34	135.29	147.36	146.97
	Quick ratio(%)		90.30	91.89	87.56	100.94	96.14
	Interest protection		20.61	58.34	46.85	41.65	28.51
Ability to Operate	A/R turnover (times)		4.83	5.30	5.35	4.77	4.66
	A/R turnover days		75.56	68.86	68.22	76.51	78.32
	Inventory turnover (times)		5.04	5.88	5.54	4.81	5.02
	A/P turnover (times)		5.57	5.84	5.25	5.49	5.65
	Inventory turnover days		72.42	62.07	65.88	74.94	72.70
	Fixed assets turnover (times)		63.25	74.62	80.54	65.93	55.33
	Total assets turnover (times)		1.51	1.63	1.60	1.36	1.21
	Return on assets(%)		1.75	3.69	5.80	2.85	2.95
Earning Ability	Return on equity(%)		4.35	10.15	17.64	8.21	7.47
	To Pay-in Capital (%)	Operating income	10.01	29.32	46.47	22.73	13.86
		PBT	12.07	29.22	50.64	25.83	25.59
	Net income ratio(%)		1.10	2.22	3.54	2.03	2.33
	EPS(NT\$)		0.87	2.01	3.63	1.67	1.64
	Cash Flow(%)	Cash flow ratio		(1.63)	24.83	5.02	5.96
Cash flow adequacy ratio			(20.56)	111.82	63.59	88.44	119.09
Cash reinvestment ratio			(5.90)	37.82	2.66	(1.17)	9.17
Leverage	Operating leverage		7.81	3.27	2.58	4.24	5.65
	Financial leverage		1.07	1.02	1.02	1.03	1.07

Analysis of Deviation over 20%:

Interest protection: mainly due to increase in interest expenses.

Operating income to pay-in capital and operating leverage: mainly due to decrease in operating income.

Cash flow and cash reinvestment ratio: mainly due to increase in cash flows from operating activities.

Cash flow adequacy ratio: mainly due to increase in the most recent 5-year cash flow from operating activities.

Financial Information (Unconsolidated)

Item		Period	2019	2020	2021	2022	2023
Financial Ratio	Total liabilities to total assets(%)		50.45	55.86	60.93	51.99	50.74
	Long-term debts to fixed assets (%)		5,080.01	3,653.42	4,522.81	4,626.52	5,100.60
Ability to Payoff Debt	Current ratio(%)		86.36	88.16	97.58	83.47	89.23
	Quick ratio(%)		60.51	68.11	78.06	60.74	63.22
	Interest protection		29.64	113.38	266.24	57.02	69.29
Ability to Operate	A/R turnover (times)		6.65	7.44	6.64	5.63	9.05
	A/R turnover days		54.88	49.06	54.97	64.83	40.33
	Inventory turnover (times)		12.61	15.09	15.50	11.08	10.91
	A/P turnover (times)		5.39	5.64	5.08	4.52	5.31
	Inventory turnover days		28.94	24.18	23.54	32.94	33.45
	Fixed assets turnover (times)		130.28	132.84	137.71	96.88	84.82
	Total assets turnover (times)		1.48	1.65	1.65	1.13	1.04
	Return on assets(%)		2.32	4.80	7.30	3.39	3.46
Earning Ability	Return on equity(%)		4.53	10.21	17.58	7.72	7.01
	To Pay-in Capital (%)	Operating income	7.48	14.73	27.90	13.84	11.56
		PBT	10.62	24.16	44.96	20.87	20.63
	Net income ratio(%)		1.52	2.88	4.41	2.96	3.27
	EPS(NT\$)		0.87	2.01	3.63	1.67	1.64
	Cash Flow(%)	Cash flow ratio		(1.10)	25.50	5.79	12.27
Cash flow adequacy ratio			(57.81)	60.56	98.24	106.49	136.59
Cash reinvestment ratio			(4.27)	21.71	0.47	0.06	1.82
Leverage	Operating leverage		3.22	2.28	1.79	2.40	2.27
	Financial leverage		1.05	1.01	1.01	1.03	1.03

Analysis of Deviation over 20%:

Interest protection: mainly due to decrease in interest expenses.

AR turnover (times) and AR turnover days: mainly due to decrease in the average of account receivable balance.

Cash flow adequacy ratio: mainly due to increase in the most recent 5-year cash flow from operating activities.

Cash reinvestment ratio: mainly due to increase in the difference between cash flows from operating activities and cash dividends.

Note

1. Financial Ratio

- (1) Total liabilities to total assets=total liabilities/total assets
- (2) Long-term funds to Net property, plant and equipment=(net equity+long term debts)/net property, plant and equipment

2. Ability to Pay off debt

- (1) Current ratio=current assets/current liability
- (2) Quick ratio=(current assets-inventory-prepaid expenses)/current liability
- (3) Interest protection=net income before income tax and interest expense/interest expense

3. Ability to Operate

- (1) Account receivable (including account receivable and notes receivable from operation) turnover=net sales/the average of account receivable (including account receivable and notes receivable from operation) balance
- (2) A/R turnover day=365/account receivable turnover
- (3) Inventory turnover=cost of revenue/the average of inventory
- (4) Account payable (including account payable and notes payable from operation) turnover=cost of revenue /the average of account payable (including account payable and notes payable from operation) balance
- (5) Inventory turnover day=365/Inventory turnover
- (6) Net property, plant and equipment turnover=net sales/average Net property, plant and equipment
- (7) Total assets turnover=net sales/average Total assets

4. Earning Ability

- (1) Return on assets= [PAT+interest expense× (1-tax rate)]/the average of total assets
- (2) Return on equity=PAT/the average of total equity
- (3) Net income ratio=PAT/net sales
- (4) EPS = (Earning attributable to shareholders of the Company -dividend from prefer stock)/weighted average outstanding shares

5. Cash Flow%

- (1) Cash flow ratio=cash flow from operating activities/current liability
- (2) Cash flow adequacy ratio=most recent 5-year cash flow from operating activities=most recent 5-year (capital expenditure+the increase of inventory+cash dividend)
- (3) Cash reinvestment ratio=(cash flow from operating activities-cash dividend)/(gross property, plant and equipment+long-term investment+other non-current assets+working capital)

6. Leverage

- (1) Operating leverage=(net revenue-variable cost of revenue and operating expense)/operating income
- (2) Financial leverage=operating income/(operating income-interest expenses)

7.3 Audit Committee Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and the Proposal for profit & loss appropriation. The CPA Wei-Ming Shih and Ching-Wen Kao from KPMG were retained to audit Acer's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for profit & loss appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of Acer Incorporated in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Acer Incorporated

Convener of the Audit Committee: Ching-Hsiang, Hsu

March 14, 2024

7.4 Consolidated Financial Statements Audited by CPAs of the Past Year

Please refer to Appendix I.

7.5 Parent-Company-Only Financial Statements Audited by CPAs of the Past Year

Please refer to Appendix II.

7.6 Disclosure of the Impact on Company's Financial Status Due to Financial Difficulties

None

Review of Financial Position, Management Performance and Risk Management

8

8.1 Financial position (Consolidated Financial Statements)

Major impact on financial position

Unit: NT\$ Thousands

Item	Period	2023	2022	Difference	
				Amount	%
Current assets		157,566,038	146,657,025	10,909,013	7.44
Property, plant and equipment		4,423,825	4,298,887	124,938	2.91
Intangible assets		18,855,332	18,530,591	324,741	1.75
Other assets		27,888,651	19,553,216	8,335,435	42.63
Total assets		208,733,846	189,039,719	19,694,127	10.42
Current liabilities		107,209,551	99,523,732	7,685,819	7.72
Non-current liabilities		21,182,230	19,081,792	2,100,438	11.01
Total liabilities		128,391,781	118,605,524	9,786,257	8.25
Common stock		30,478,538	30,478,538	0	0.00
Capital surplus		27,805,176	27,795,883	9,293	0.03
Retained earnings		18,490,986	14,897,145	3,593,841	24.12
Other equity		664,598	(4,309,253)	4,973,851	(115.42)
Treasury stock		(2,712,774)	(2,914,856)	202,082	(6.93)
Equity attributable to shareholders of the Parent		74,726,524	65,947,457	8,779,067	13.31
Total equity		80,342,065	70,434,195	9,907,870	14.07

Analysis of Deviation over 20%:

1. Other assets: The increase was mainly due to increase in financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost.
2. Retained earnings: The increase was mainly due to disposal of financial assets measured at fair value through other comprehensive income.
3. Other equity: The increase was mainly due to increase in unrealized gain from financial assets measured at fair value through other comprehensive income.

8.2 Financial performance (Consolidated Financial Statements)

Unit: NT\$ Thousands

Item	Period	2023	2022	Difference	
				Amount	%
Revenue		241,308,142	275,423,744	(34,115,602)	(12.39)
Cost of revenue		(215,484,917)	(245,679,257)	30,194,340	(12.29)
Gross profit		25,823,225	29,744,487	(3,921,262)	(13.18)
Operating expenses		(21,657,846)	(22,954,863)	1,297,017	(5.65)
Other operating income and expenses, net		60,032	138,073	(78,041)	(56.52)
Operating income		4,225,411	6,927,697	(2,702,286)	(39.01)
Non-operating income and loss		3,573,384	946,124	2,627,260	277.69
Income before taxes		7,798,795	7,873,821	(75,026)	(0.95)
Income tax expense		(2,167,631)	(2,270,529)	102,898	(4.53)
Net income		5,631,164	5,603,292	27,872	0.50
Other comprehensive loss for the year, net of taxes		8,187,761	3,927,825	4,259,936	108.46
Total comprehensive income		13,818,925	9,531,117	4,287,808	44.99
Net income attributable to shareholders of the Parent		4,931,944	5,003,688	(71,744)	(1.43)
Total comprehensive income attributable to shareholders of the Parent		13,141,580	8,930,204	4,211,376	47.16

Analysis of Deviation over 20%:

1. Other operating income and expenses, net: The decrease was mainly due to lower government grant.
2. Operating income: The decrease was mainly due to lower gross profit.
3. Non-operating income and loss: The increase was mainly due to higher interest income and foreign currency exchange gain.
4. Other comprehensive loss for the year, net of taxes, total comprehensive income and total comprehensive income attributable to shareholders of the Parent: The increase was mainly due to increase in unrealized gain from financial assets measured at fair value through other comprehensive income.

8.3 Cash flows (Consolidated Financial Statements)

8.3.1 Major impact on cash flows

Unit: NT\$ Thousands

Item	Period	2023
Cash and cash equivalents at beginning of period		46,842,902
Cash flows from operating activities		12,683,540
Cash flows from investing activities		(7,365,817)
Cash flows from financing activities		(4,440,211)
Effect of foreign exchange rate changes		413,714
Cash and cash equivalents at end of period		48,134,128

Analysis of cash flows in 2023:

NT\$12.7 billion net cash provided by operating activities: mainly from transfer of profit before tax and increase in notes and accounts payable.

NT\$7.4 billion net cash used in investing activities: mainly from increase in other financial assets.

NT\$4.4 billion net cash used in financing activities: mainly from cash dividends paid.

8.3.2 Remedial actions for liquidity shortfall

Remedial actions are not required.

8.3.3 Analysis of cash liquidity for next year

Not applicable

8.4 Major capital expenditures and impact on financial and business in recent years

None

8.5 Long-term investment policy and results

The investments accounted for using equity method are for strategic purpose. The share of profits of associates and joint ventures amounted to NT\$ 46,835 thousands on consolidated statements mainly due to transformation. Acer will still focus on strategic purpose with adequate and prudent assessment.

8.6 Risk Management

8.6.1 Impact of Interest Rate, Exchange Rate and Inflation on Company's P&L and Future Strategy

1. Interest Rate Fluctuation

With inflation having significantly eased and the economy slowing down, FED is expected to cut rate in 2024H2, the market will be concerned about its progress in cutting rate. ECB will follow the footsteps of FED to adjust its monetary policy. The Central Bank of the Republic of China (Taiwan) is expected to ensure the interest rate stable and Acer's interest expense will reflect the market trend. Short-term TWD and foreign currency deposits remain to be the most common used instruments for Acer to optimize return while reducing risk.

2. Exchange Rate

As the rate hike cycle is coming to an end, USD has peaked but path to depreciation will remain volatile. A modest pick-up in euro-zone growth will support EUR to drift higher. RMB will get stable amid China's economic stimulus policies. The monetary policies of major economies influence the stability of the currencies in emerging markets. Acer will maintain its strategy to meticulously hedge its foreign positions to minimize the impacts on earnings caused by foreign exchange rate fluctuations.

3. Inflation

According to recent IMF World Economic Outlook, Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down. Appropriate measures will be taken accordingly to minimize impacts on business operation if need.

8.6.2 The Policy Regarding High-Risk/Highly Leveraged Investments, Lending, Endorsements, and Guarantees for Other Parties; The Main Reasons for the Profits/Losses Generated Thereby; And Response Measures To Be Taken In The Future

Company will use high-safety, high-liquidity, and fixed-income financial instruments provided by financial institutions with high credit rating for the utilization of short-term idle funds. Company will use investment of leading and relative industry for the utilization of long-term idle funds.

Company does not engage in lending, endorsements and guarantees, unless for its subsidiaries; provides, if there is any necessities to lend, endorse, and guarantee to other parties for business purpose, it shall be done in accordance with Company's "Procedures Governing the Acquiring or Disposing of Assets" and "Procedures Governing Endorsement and Guarantee".

As of December 31, 2023, the aggregated amount of guarantees provided is NT\$ 23,661,830,000, among which NT\$ 4,818,824,000 was actually used.

Company does not engage in financial derivative transactions unless for hedging purpose. ; If Company engages in financial derivative transactions for business purpose, it shall be done in accordance with Company's "Regulations of Foreign Exchange Risk Management and Structured Deposit."

8.6.3 Research and Development Plan in the Future and Estimated Expense

Company and its affiliates focus on keeping invest in researching and developing (R&D) not only for computers and accessories & peripherals, but for artificial intelligence application, smart medicine and healthcare, technology of big data, cloud platform, communication system and electric bicycle etc. in the near future. The plans are summarized as follows:

Research item	Description
Artificial intelligence	R&D of machine learning and artificial intelligence algorithms, rail transport safety solutions, smart venues, application software, and derivative services from large language models.
Smart medicine and healthcare	To develop assistant tools and service of artificial intelligence diagnosis, applications of large language model, personalized cancer vaccine and wearable of physiology monitor by Acer's deep learning and big data system technologies, as well as cooperation with hospital's huge amount of data and medical knowledge.
Big data technology	Data mining, data cleaning, big data management, machine learning and advance analysis of big data.
Cloud platform	To build and develop a cloud platform, and provide a complete solution with the applications of information analysis and artificial intelligence for the necessity for IOT devices.
Electric bicycle	Develop Audio and Video Conference System, Remote Collaboration System, and apply key Communication Technology to the field needing the system in the future.
	Research and develop motor controller hardware and software algorithm, combine various electric-assist bicycle motors, and analyze those data to optimize motor output power and performance.

It is estimated expense around 0.8% to 1.5% of 2024 total revenue for all R&D plans.

8.6.4 Impacts associated with domestic and international important policies and regulation changes to Company's financial and business and the response measures to be taken in the future

As of the date of print of this annual financial report, the relevant domestic and international important policies and regulation changes have no immediate, obvious and significant expected impacts on the Company's finances and business. Company continues to pay attention to domestic and international important policies and regulation changes to evaluate the impacts timely and then take appropriate steps to protect the Company's finance and business.

8.6.5 Impact Associated with Changes in technology and industry to Company's financial and business and the response measures to be taken in the future

Nowadays, the Information and Communication Industry and relevant technologies change rapider and rapider, which, though, causes no immediately foreseeable, significant and negative impacts on the company's finance and business, Company still continuously and densely focus on the prospects of technology and trends of markets for lead arrangement of business operating. Except self-developing /controlling technologies, Company cooperates with partners in Joint-Development and Joint-Business, and develops new business to foresee the future trendy to technologies and changes of business for keeping competitiveness. Meanwhile, Acer puts the dual transformation strategy into practice vigorously not for finding new markets to its core business, but for new business multiple growth engines by its existing sources and reputations, and that will ambitiously strengthen its performance and new business development. Moreover, Company will focus on gaming PCs, Creator solutions, commercial business growth, in addition to new initiatives including AOPEN, ACSI, AST, Weblink, and more, as its main growth energy to maintain Acer's energy of innovation and progress.

The Company was attacked by ransomware because a employee accidently opened a phishing email, and will probable face similar attacks in the future. In order to prevent and mitigate the damages caused by these kinds of attacks, the Company implements and continuously improves related measures. For example, the Company may implement malicious email filter mechanism can reduce the phishing emails received by the employee, strengthen the firewalls and network control to prevent malware infection crossing different regions, control special accounts by multilayer mechanism to prevent account hacking, implement advanced resolutions to review the machine compliance, execute the system vulnerability scan and patching periodically and conduct the employee's awareness practice.

The Company's cybersecurity defenses would focus on the following issues:

1. The Company shall prevent the customer data leakage. Given that the Company is under multilayer protections, the hackers is unable to obtain the customer data by ransomware attack.
2. The Company shall strengthen overall cybersecurity defense and monitor mechanism. Considering the difficulties of attack, the hackers may reduce their attack intentions. The Company may also implement overall endpoint detection and response software to ensure the visibility of abnormal behaviors.
3. The Company may divide its internal systems, adopt zero trust structure among each regional system and the headquarters' data center, and strengthen the business continuity practice of IT systems. Therefore, the Company may reduce the affected scope eve under the hacker's malicious attack, and recover the system within an acceptable time frame.

8.6.6 The Impacts of enterprise crisis management from Changes in Corporate Reputation and the response measures to be taken in the future

Company has transformed manufacturing into a brand company of information and communication products and service, thus, it focuses on global operations and supply chain management, which results in the shift of the scope of corporate crisis management. Via multi-vendor strategies to separate the risks of cooperation with a single partner, the inventory management of Company will be more resilient. In addition, due to the uncertain global situation, crisis and challenges may occur at any time, Company actively strengthens the awareness of crisis management, develops preventive measures to avoid the occurrence of crisis, and establishes risk management mechanism. If a crisis should be encountered, the losses of risk could be reduced to ensure Company will be evergreen.

8.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

None

8.6.8 Predicted Benefits and Potential Risk to Company with Factory/Office Expansion

None

8.6.9 Potential Risks to Company from the Concentration of Procurement and Sales

None

8.6.10 Affect on Company from Shares Transfers by Directors, Supervisors or Shareholders Holding More Than 10% Shares

None

8.6.11 Impact and Potential Risks to Company Management Team Change

None

8.6.12 The major litigious, non-litigious or administrative disputes that: (1) involve Acer and/or any Acer director, any Acer supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 %, and/or any company or companies controlled by Acer; and (2) have been concluded by means of a final and definitive judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of printing of this annual report shall be disclosed as follows

1. The status of the dispute as of the date of printing of this annual report:
 - (1) Acer from sometimes receives notices from third parties asserting that Acer has infringed certain patents or demands Acer obtain certain patents licenses. Although Acer does not expect that outcome of the notices, individually or collectively, will have a material adverse effect on Acer's financial position or operation, given the outcome of legal proceedings are difficult to foresee, relevant settlements may affect Acer's result of operation or cash flow in a particular period.
 - (2) Due to the globally fast-changing environment, Acer has faced many kinds of challenges and different interpretation from local tax authorities; therefore, for the tax cases which reach the requirements of liability reserve (including but not limited income tax, withholding tax, and sale tax), Acer has prior-estimated properly accordance with relevant rules. However, tax issues are usually complicated, time-consuming, and unpredictable, thus there would be an influence to Acer's business result or cash flow on specific period.
2. In year 2023 and as of the date of printing of this annual report, any Acer director, supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10% were not involved in any material litigious, non-litigious or administrative disputes of which the result could materially affect shareholders' equity or the prices of Acer's securities.
3. In year 2023 and as of the date of printing of this annual report, any subsidiaries and affiliates controlled by Acer were not involved in any material litigious, non-litigious or administrative disputes of which the result could materially affect Acer shareholders' equity or the prices of Acer's securities.

8.6.13 Other Important Risks

Acer's corporate philosophy is based on the ultimate goal of "sustainable development". We believe that rigorous and pragmatic risk management not only reflects Acer's persistent commitment to our customers, employees, supply chain partners and investors, but also to our long-term commitment to ensuring sound business performance and compliance of corporate social responsibility. It is also a concrete act of ensuring sound business performance and fulfilling corporate social responsibility. The relationship between sustainable corporate development and risk management is intricate. Only by continuously identifying risks and assessing the short-term dynamic changes and long-term trends of risks and implementing relevant risk response plans, and by establishing a corporate culture that takes account of both the effective use of opportunities and the balance of risks through frank internal communication and training programs, can we ensure our hard-earned business results and achieve our goal of "sustainability".

Risk Management Organization

Acer Risk Management Organization Structure

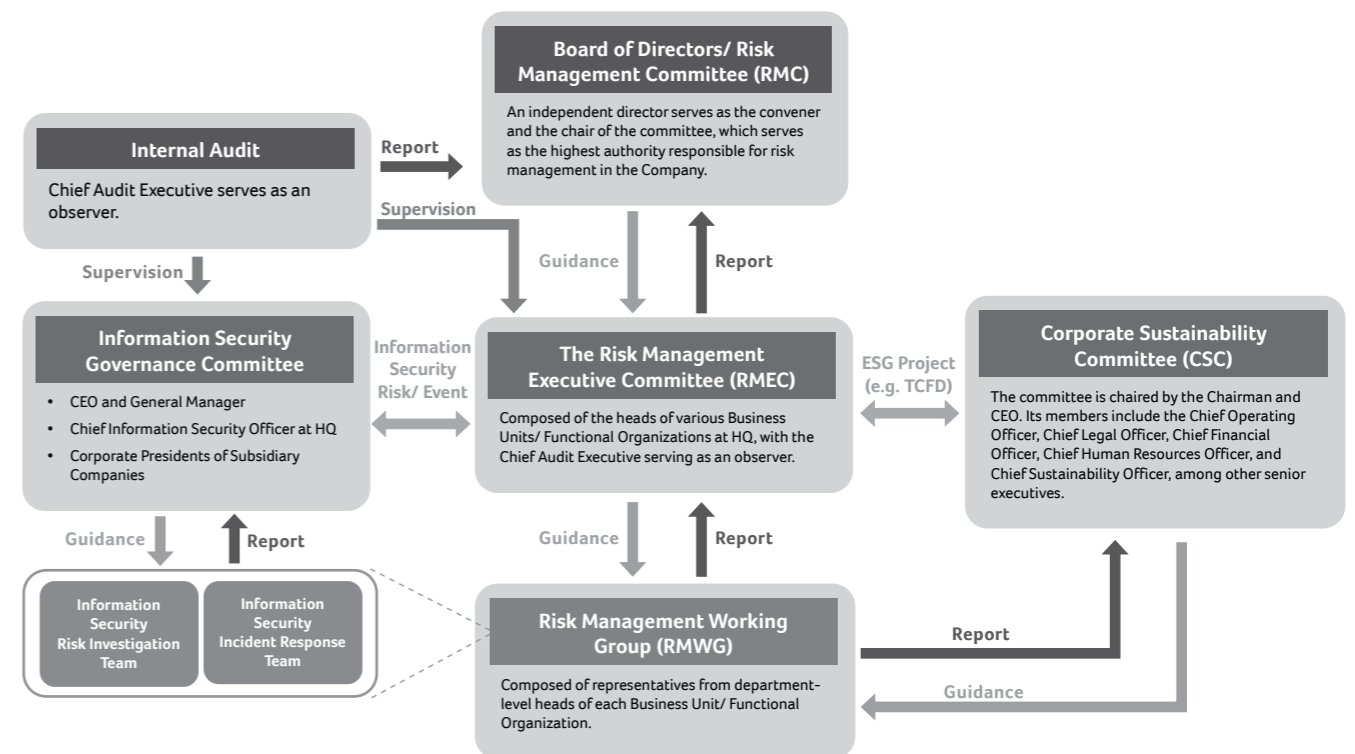
To proactively identify and manage internal and external operational risks, and effectively control these risks through appropriate assessment and handling procedures, Acer has established the Risk Management Committee (RMC) to assist the

Board of Directors in risk governance.

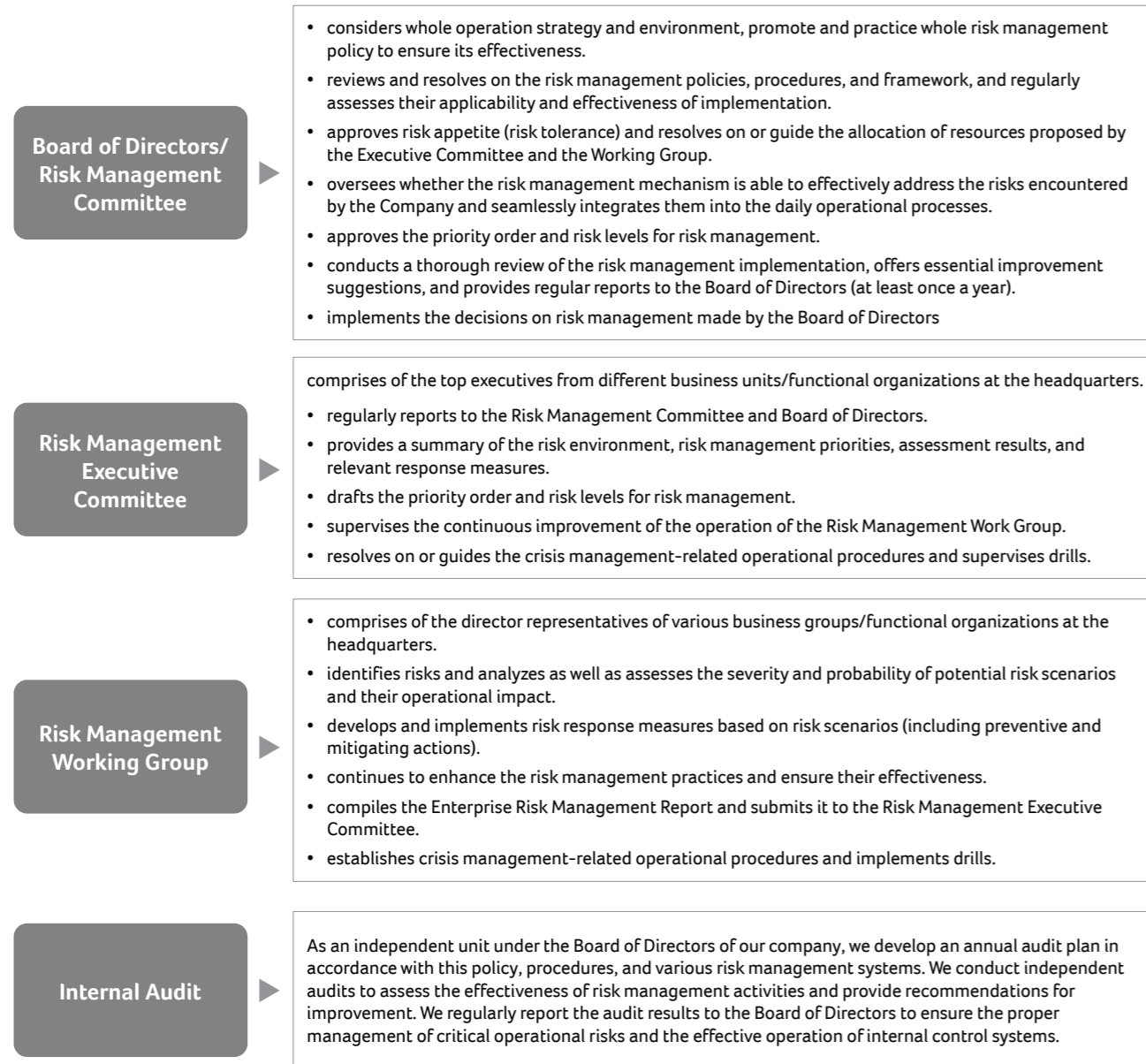
The Risk Management Committee is a functional committee established by the Board of Directors in accordance with Article 13 of the Company's Articles of Incorporation and reports directly to the Board of Directors. Pursuant to the organization rules of Acer's Risk Management Committee, its members, as determined by the Board of Directors, consist of three or more directors, with a majority being independent directors. There is one convener and chair of the committee, who is elected by either the Board of Directors or the committee. Under the committee, there is the Risk Management Executive Committee (RMEC) and the Risk Management Working Group (RMWG), which are responsible for organizing committee meetings and handling the planning, preparation, and execution of matters related to the organization rules.

The Risk Management Committee is responsible for overseeing the overall risk management of Acer Group. It executes the risk management decisions of the Board of Directors, coordinates and promotes cross-organizational risk control programs, supervises and manages the improvement mechanisms for overall risk control within Acer Group, and reviews and integrates various risk control reports. The committee submits reports to the Board of Directors annually, at least once a year, and provides timely updates on the implementation of risk management and necessary recommendations. The Board of Directors serves as the highest decision-making body for risk management, approving major decisions related to risk management based on business strategies and environmental changes.

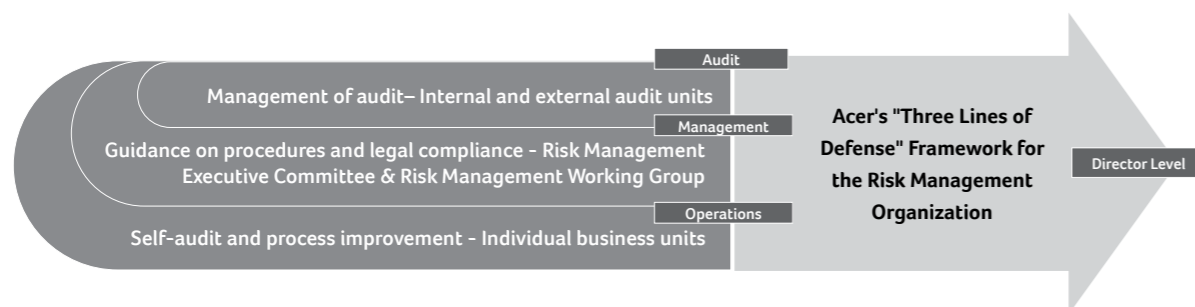
■ Acer Risk Management Organization Structure Chart



Responsibilities of the Acer Risk Management Organization



The "Three Lines of Defense" Framework for the Risk Management Organization



Risk Management Procedures

Risk Management Policies

To achieve our vision of sustainable development and establish a corporate culture that prioritizes risk awareness, the Company not only adheres to organizational management systems and operational procedures at all levels to implement relevant risk management measures, but also strives for continuous improvement in our risk management practices through the active involvement of senior executives. We rely on international standards such as the ISO31000:2018 Risk Management System and the Enterprise Risk Management - Integrated Framework (COSO ERM 2017), as recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), to guide our efforts. In line with this commitment, the Company has developed risk management policies, which was approved by the Board of Directors and implemented on March 16, 2022.

Risk Management Goals

The objective of the Company's risk management is to identify and control the risks faced by the Company within the risk appetite (that is, risk tolerance) level through a comprehensive risk management system that is integrated into our operational activities and daily management practices. Our principles are to effectively utilize opportunities and minimize risks while maintaining a balance in order to achieve the following goals:

1. Achieving operational goals
2. Improving management effectiveness
3. Providing reliable information
4. Allocating resources effectively

Scope of Risk Management

The Company's scope of risk management encompasses major risk aspects of strategic risks, operational risks, financial risks, disaster risks, information risks, climate change-related risks, and other emerging risks. We strictly adhere to the provisions of relevant laws and regulations and follow a cyclical process of identifying, analyzing, evaluating, responding to, monitoring, and reviewing risks in order to effectively manage them. We are committed to continuously enhancing our risk management practices through ongoing learning and experience.

Risk Management Procedures

The Company's risk management process encompasses risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review.

1. Risk identification

Risk identification utilizes risk management tools and is informed by past experiences, information, and assessments of internal and external risk factors, as well as stakeholder concerns. By conducting a thorough analysis and discussion from both a bottom-up and top-down approaches, potential risk events that could impede the Company's objectives or result in losses or negative impacts are identified.

2. Risk analysis

To conduct risk analysis, it is important to establish appropriate quantitative or qualitative measurement standards based on the Company's risk characteristics. The Risk Management Working Group should have a thorough understanding of the nature and characteristics of identified risk events. This analysis should consider factors such as the effectiveness of existing control measures, past experiences, and cases within the industry. By analyzing the probability and impact of risk events, the risk value can be calculated.

3. Risk assessment

The purpose of risk assessment is to provide businesses with a foundation for making decisions. By comparing the results of risk analysis with risk appetite, priority can be designated to the management of risk events and serve as a guide for selecting subsequent response measures.

The Risk Management Working Group should develop and execute risk response plans based on the results of the risk analysis, in alignment with the approved risk appetite set by the Risk Management Committee.

The results of the pertinent risk analysis and assessment should be accurately documented and submitted to the Risk Management Committee for approval.

4. Risk responses

The Risk Management Working Group, based on the Company's strategic objectives, internal and external stakeholder perspectives, risk appetite, and available resources, selects risk response strategies or implements risk mitigation plans. It establishes preventive, contingency, crisis management, and business continuity plans as necessary to effectively control risks and achieve a balance between objectives and cost-effectiveness. To ensure that all types of risks are within manageable scopes, key risk indicators should be developed and continuously monitored by the Risk Management Working Group and relevant personnel from each operational unit. Additionally, timely reporting to the Risk Management Executive Committee should be conducted, and relevant records should be established and maintained.

5. Risk monitoring and review

The risk monitoring and review mechanism should thoroughly examine whether the risk management process and relevant risk strategies are being continuously and effectively implemented. The Company should also ensure that risk management is connected to the key processes within the organization to effectively supervise and enhance its implementation.

Risk Management Operations

Risk Identification and Management Effectiveness for 2023

Acer actively manages risks across various areas in a cost-effective manner, including strategies, as the scope of risk management covers the aspects of strategies, operations, finance, disaster and climate change. Regular general assessments are conducted for both internal and external business environments. The external business environment assessments also incorporate external international risk reports and reports and research results from the insurance sector and risk management consultants so as to ensure the completeness of risk perception. These assessments form the basis for establishing a risk radar. Following the preceding procedure, Acer's risk radar identified a total of 45 risks, comprising 18 internal risks and 27 external risks in 2023. Subsequently, risk prioritization and the definition of risk appetite were carried out to strike a balance between corporate growth and efficient resource allocation. The results of risk prioritization led to the creation of a risk map and the risk appetite summary, which were submitted to and approved by the Board of Directors/Risk Management Committee on March 14, 2024.

The risk management organization utilizes risk map, risk impact scenario analysis/risk assessment table, and other risk management tools to assess the potential threats posed by various risks to the Company's future operations. This assessment is based on the likelihood of risk occurrence and the severity of potential losses. Risk levels are designated to determine the priority and resource allocation for subsequent risk control measures. Sensitivity analysis and stress test are also adopted to quantitatively analyze the risks and examine the degree of correlation among the risk factors. The risk map for the year of 2023 includes six risk items which are at the risk level of medium-high or above, namely geopolitical/geoeconomic risks, cyber risks, inventory management risks, inflation (including green inflation) risks, emerging technology/transition risks, and climate change/carbon reduction risks.

Acer's Risk Appetite Summary (Risk Appetite Summary)					
Risk Appetite Level (RAL)	Low risk appetite(1)	Medium-low risk appetite(2)	Medium risk appetite(3)	Medium-high risk appetite(4)	High risk appetite(5)
Type of risk	Primary business activities				
Strategic Risk	Brand / reputation	Intellectual property	Innovation, research and development Investment and mergers and acquisitions (M&A)		
Financial Risk	Cash flow	Tax risk Credit risk			
Financial Risk	Information security	Product quality	Talent		
Disaster Risk	Personal Safety and Health Major compliance	ESG			

Strategic risk: Mainly includes innovation, research and development, investment and M&A, brand reputation and protection of intellectual property

(1) "Innovation, research and development" falls in the scope of medium risk appetite.
Acer is committed to pursuing innovation and will actively embrace creative and pioneering approaches to drive innovation and enable the effective utilization of innovative opportunities. Meanwhile, Acer is open to accepting a certain level of higher risk, although these risks are generally deemed controllable.

(2) "Investment and M&A" falls in the scope of medium-high risk appetite.
In order to implement our operational strategies, we will pursue not only organic growth but also investment and M&A methods. We are prepared to consider various potential approaches, such as due diligence, to engage in investment/M&A by seeking to balance a high probability of successful transactions with high returns and associated transaction risks. This holds true even if the actions themselves may involve a high level of residual risk.

(3) "Brand/reputation" falls in the scope of low risk appetite.
When striving to achieve key results or implement measures, it is crucial to avoid risks and uncertainties; or, the activities carried out only involve those that are deemed to have minimal inherent risks. While seizing opportunities, the Company should maintain constant vigilance regarding risks and enhance brand protection. Measures should be taken to safeguard brand assets and prevent brand infringement and counterfeiting. In the event of a brand crisis, the Company should establish a contingency plan to promptly and effectively address such an incident and minimize harm to the brand image swiftly and effectively.

The Risk Management Working Group consolidates the results of the aforementioned risk analysis and assessment and regularly reports the relevant execution progress and outcomes to the Risk Management Executive Committee after formulating the subsequent risk control plans. In 2023, the Risk Management Working Group collaborated with a total of 15 departments/units. To realize practical and close integration of the implementation of Enterprise Risk Management (ERM) mechanisms with the daily operational procedures of each department/unit as well as the Company's business objectives, each department/unit first consolidates 41 key performance indicators (KPIs) and then identifies 88 risk scenarios that may impact the aforementioned KPIs. For the identified and analyzed/assessed risk items, relevant department personnel are assigned to formulate subsequent risk management strategies and related risk mitigation plans, including common risk management responses such as loss prevention, avoidance, separation and duplication, transfer, and retention. Adequate resource allocation, prioritization of implementation, and subsequent progress tracking methods are assessed in advance. Meanwhile, incident response plans and crisis management mechanisms are developed to minimize the potential negative impact of various risks on business objectives and enhance the overall risk resilience of the Company. The aforementioned risk management strategies and related risk control plans are periodically reviewed for effectiveness and improvement opportunities during the Working Group meetings, as they following the PDCA cycle: Plan, Do, Check, Action. Finally, material risk information and the operational status of enterprise risk management are regularly (i.e., quarterly) reported to the Risk Management Executive Committee and the Risk Management Committee.

Connections between Risk Management Procedures and Internal Control and Internal Audit Systems

In addition to reporting to the highest governing body of the Company's risk management, namely the Board of Directors/Risk Management Committee, the internal audit officer also attends the quarterly Risk Management Executive Committee meetings in an observer role. The personnel of each department/unit regularly identify and record all major risks and their corresponding control measures, and review the effectiveness of the controls in the annual internal control self-assessments.

In 2024, the Company plans to hire a third-party international risk management consultant to validate and ensure the effectiveness of our risk management system/procedures. This verification will be conducted in accordance with the ISO31000:2018 Risk Management System and the Enterprise Risk Management - Integrated Framework (COSO ERM 2017) developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Upon completion, the aforementioned third-party consultant will provide an ERM compliance certification.

Emerging Risks

Emerging Risks	Risk Description	Potential Impact	Responsive Measures
Geopolitics/ Economy	<p>The current global geopolitical and geoeconomic risks are primarily evident in the following areas:</p> <ol style="list-style-type: none"> 1. Intensification of strategic competition between China and the United States. As the world's two largest economies, the competition between China and the United States in the fields of economy, technology, and military is becoming increasingly intense. The direction of China-US relations will significantly impact the global geopolitical landscape. 2. Continued war between Russia and Ukraine. The Russia-Ukraine war is the largest-scale military conflict in Europe since World War II. The ongoing war not only severely impacts the global economy but also exacerbates turbulence in global geopolitics and geoeconomics. 3. Israel-Hamas conflict and the Red Sea crisis. The Israel-Hamas conflict and the Red Sea crisis are major geopolitical risks in the Middle East region. Escalation of the Israel-Hamas conflict could trigger a large-scale war in the region, while the Red Sea crisis could threaten global energy security. 4. Global supply chain restructuring. The global supply chain is undergoing reconstruction due to the impact of COVID-19 and the Russia-Ukraine war. The regionalization, diversification, and fragmentation of the supply chain will have far-reaching implications for the global economic landscape. 	<ol style="list-style-type: none"> 1. Increase in production/procurement costs: Geopolitical/geoeconomic risks may result in price increases in strategic resources and higher trade costs, thereby raising the production costs of technology products. 2. Potential disruptions in the supply chain that affect the availability of technology products. The Russo-Ukrainian war has caused global energy prices to rise, which also impacts the supply of global technology products. The global supply chain is becoming more complex, making it more vulnerable to the impact of geopolitical/geoeconomic risks. For instance, the supply chain of global technology products involves multiple countries and regions; if a country or region experiences political turmoil or natural disasters, it can lead to disruptions in the supply chain that affect the availability of technology products. 3. Impediment to technological innovation: Geopolitical/geoeconomic risks can hinder technological cooperation and brain drain, thereby impeding technological innovation. 4. Exacerbation of market volatility: Geopolitical/geoeconomic risks can cause a decline in investor confidence and increased market volatility, thereby impacting the financing and development of technology companies. 	<p>In the aspect of the supply chain:</p> <ol style="list-style-type: none"> 1. Disperse ODM production bases to India, Southeast Asia, and other countries/regions that meet the assessed conditions. 2. Reduce dependency on critical components. 3. Continuously monitor the market and provide real-time alerts. 4. Maintain a safe inventory level. <p>In the aspect of financial market/finance:</p> <ol style="list-style-type: none"> 1. Estimate cash flow and optimize operational fund allocation. 2. Prepare at least two additional banks, in addition to the main correspondent bank, as backups. 3. Maintain a safe level of liquid assets and cash. 4. Conduct foreign exchange hedging operations. 5. Establish standards for foreign exchange hedging principles, tools, and level of authorities. 6. Adjust transaction currencies to currencies with lower volatility and hedging costs.
Emerging Technologies/ Transition (e.g., AI)	<p>Emerging technology development/transition refers to the adoption of emerging technologies by companies to improve existing businesses or develop new ones. However, emerging technology development/transition, such as AI, may bring the following risks:</p>	<ol style="list-style-type: none"> 1. Technical aspect: Emerging technologies may still be immature, with technical defects or instability. 2. Market aspect: The market for emerging technologies may not have formed yet, with uncertainties in demand or intense competition. 	<ol style="list-style-type: none"> 1. Regularly visit customers/distributors. 2. Monitor the activities of competing companies. 3. Track technological developments.

Emerging Risks	Risk Description	Potential Impact	Responsive Measures
	<p>Security risks:</p> <p>AI systems may be hacked or maliciously used, resulting in data leaks, system paralysis, and other damages. For example, hackers can attack the AI system's database and steal sensitive data, or exploit vulnerabilities in the AI system to launch DDoS attacks, causing system paralysis.</p> <p>AI technology may also be used for military or terrorist activities, posing security threats. For example, AI technology can be used to develop autonomous weapons, making wars even more deadly, or AI technology can be used to create fake news or false propaganda.</p> <p>Reliability risks:</p> <p>AI systems may experience errors or failures, leading to decision-making mistakes or unexpected accidents. For example, autonomous vehicles may cause traffic accidents due to system failures, or medical diagnosis systems may delay patient treatment due to incorrect diagnoses.</p> <p>Bias risks:</p> <p>AI systems may have biases, resulting in discrimination or unfair treatment towards specific groups. For example, AI systems used for recruitment may have biases against women or ethnic minorities, or AI systems used for credit rating may have biases against low-income individuals.</p> <p>Privacy risks:</p> <p>AI systems may infringe on personal privacy. For example, facial recognition systems can collect and analyze individuals' facial data for tracking or monitoring purposes, or voice assistants can collect and analyze individuals' voice data for targeted advertising.</p>	<ol style="list-style-type: none"> 3. Management aspect: Companies may lack the experience and capability to manage emerging technologies, leading to project failures or cost overruns. 4. Legal and regulatory aspect: Emerging technologies may face uncertainties in laws and regulations, resulting in legal disputes or regulatory penalties for companies. 5. Brand aspect: Consumers demand compensation arising from product liability and personal data-related responsibilities, as well as subsequent negative impacts on brand image, may be severe. 	<ol style="list-style-type: none"> 4. Conduct experimental analysis to assess the feasibility of new technology and review data on technical completion and stability. 5. Stay updated on regulatory changes by legislative authorities. 6. Seek professional advice from external experts.
Green Inflation	<p>Green inflation refers to the increase in prices caused by factors such as rising production costs and disruptions in the supply chain during the process of promoting green transformation. The potential risks of green inflation include the following:</p> <ol style="list-style-type: none"> 1. Intensifying inflationary pressures: Green inflation will intensify existing inflationary pressures, leading to price increases and reducing people's purchasing power. For example, the implementation of carbon pricing will raise production costs for businesses, resulting in higher product prices. Similarly, the development of green energy requires significant investment, which can also drive up energy prices. 2. Impact on economic recovery: Green inflation will increase the cost burden on businesses, affecting economic recovery. For instance, businesses need to invest funds in green transformation, which can lower their profitability. Additionally, the implementation of green policies can increase compliance costs for businesses, impacting their competitiveness. 	<p>Inflation refers to the phenomenon of a continuous increase in the overall price level. It has several impacts on the operations of companies in the technology industry, which are mainly manifested in the following aspects:</p> <ol style="list-style-type: none"> 1. Increased production costs: Inflation leads to price increases in raw materials, labor, energy, and other production factors, thereby increasing the production costs of technology products. For example, semiconductor manufacturing requires a large amount of raw materials and energy. If the prices of these raw materials and energy increase, it will result in an increase in the production costs of semiconductor chips. 2. Impact on demand: Inflation leads to a decrease in consumer purchasing power, thereby affecting the demand for technology products. 3. Impact on profitability: Inflation leads to an increase in production costs and a decrease in demand for companies in the technology industry, thereby affecting their profitability. 	<ol style="list-style-type: none"> 1. Real-time production and sales reports and alerts. 2. Improving component interoperability. 3. Enhancing the management of special components.

Emerging Risks	Risk Description	Potential Impact	Responsive Measures
		<p>4. Exacerbating social inequality:</p> <p>Green inflation may worsen social inequality, with low-income groups experiencing greater impacts. For example, low-income groups may find it more difficult to afford the costs of green products and services. Furthermore, the implementation of green policies may lead to an increase in the unemployment rate among low-income groups.</p>	
Key Talent Risk	<p>The scarcity of key talent can hinder industrial development and impact economic growth. For instance, in the technology industry, the lack of software engineers, data scientists, and other key talent can impede technological innovation and industry upgrading. Similarly, in the manufacturing industry, the absence of highly skilled labor can affect production efficiency and competitiveness.</p> <p>Moreover, in the high-tech sector, the long-term trend of talent shortage and declining birth rates often results in significant increases in compensation for highly skilled professionals, while the wages for low-skilled labor tend to stagnate, leading to widening income disparities.</p>	<p>1. Insufficient research and development manpower is affecting product innovation and competitiveness.</p> <p>2. Rising production costs are impacting profitability.</p> <p>3. Declining operational efficiency is affecting enterprise value (such as decreased productivity as well as inferior customer service quality).</p>	<p>1. Expand the channels or opportunities for talent acquisition, such as Acer Group's annual campus recruitment event starting in every March.</p> <p>2. Continuously optimize the talent recruitment process.</p> <p>3. Evaluate the salary structures for relevant positions to ensure competitiveness in the industry.</p> <p>4. Assess the feasibility of offering sign-on bonus, additional benefits, or incentive measures.</p> <p>5. Enhance collaboration with globally recognized recruitment channels to ensure the recruitment of top talent.</p> <p>6. Highlight Acer Group's ESG sustainable business philosophy and its diverse business engine.</p>
Strategic Resource Competition: Minerals, Energy, Food, and Water	<p>The competition for strategic resources refers to conflicts and disputes among countries over the control of resources that are of significant importance to national security and economic development, including minerals, energy, food, and water. The potential risks of this competition include the following:</p> <p>1. Triggering regional conflicts:</p> <p>The competition for strategic resources may lead to regional conflicts and even wars. For example, in the Middle East, the competition for oil resources has been a major cause of multiple wars. Similarly, in Africa, the competition for water resources has resulted in numerous armed conflicts.</p> <p>2. Exacerbating global inequality:</p> <p>The competition for strategic resources can worsen global inequality, widening the gap between wealthy and poor countries. Wealthy countries can leverage their economic and military advantages to control more strategic resources, while poor countries may face resource scarcity.</p>	<p>The increase in production costs and the rise in prices of strategic resources will lead to higher production costs for companies in the technology industry, which will affect their profitability.</p> <p>The interruption of the supply of strategic resources in the supply chain will result in production disruptions for these companies, impacting their operational efficiency.</p>	<p>1. Diversify suppliers.</p> <p>2. Enhance supply chain resilience.</p> <p>3. Research/adopt alternative technologies.</p>

Emerging Risks	Risk Description	Potential Impact	Responsive Measures
	<p>3. Damaging the global ecological environment:</p> <p>The excessive exploitation and utilization of strategic resources can harm the global ecological environment, leading to issues such as climate change and resource depletion. For instance, mining activities can cause environmental pollution, the development of energy resources can increase greenhouse gas emissions, and the excessive consumption of food and water can deplete resources</p>		

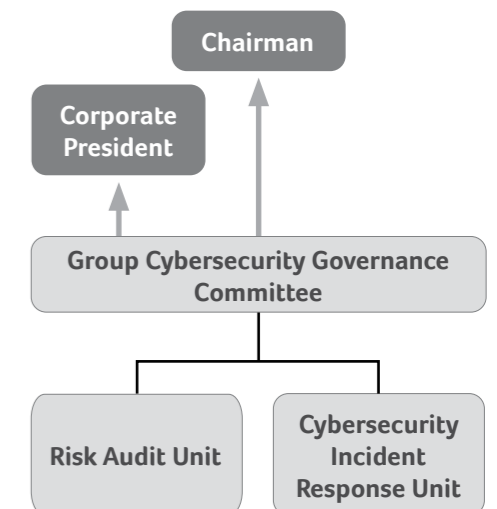
8.6.14 Information disclosure of Cybersecurity Management

8.6.14.1 Cybersecurity Management Strategy and Framework

1. Cybersecurity Risk Management Framework

The Company established Risk Management Execution Committee in 2022. Chief information Security Officer is one of the members of the committee. The committee is responsible for formulating, implementing and managing the Company's cybersecurity and protection policies. The scope includes oversight of IT systems and product information security.

To further enhance the group's information security risk management, the Company established Group Cybersecurity Governance Committee in 2023. Coordinated by Acer Information and Cybersecurity Center, This committee reports to the chairman directly. Its members include the heads of IT product line and general managers of the group's subsidiaries. The committee sets up working groups responsible for policy formulation and risk assessment related to group information security and protection. The committee may quarterly report to the Chairman and CEO and report the cybersecurity management results, cybersecurity issues and directions to board of directors at least once a year.



2. Cybersecurity Policies

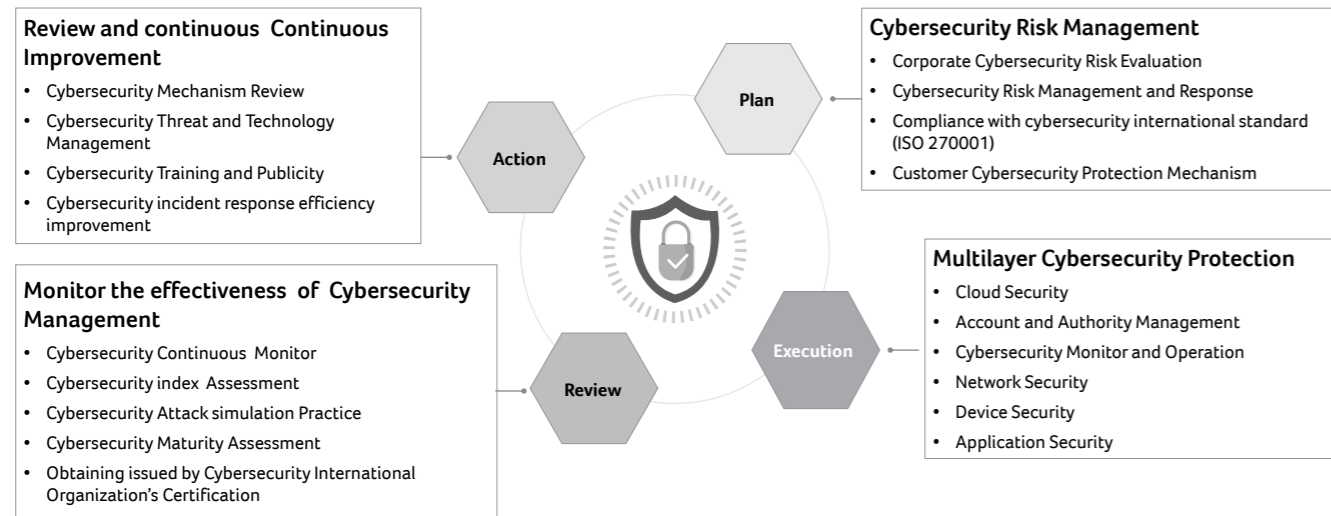
(1) Corporate Cybersecurity Management Strategy and Framework

In order to effectively implement cybersecurity management, the corporate cybersecurity unit not only regularly reports the information security management results and risks to the management teams and the board of directors, but also convenes ISMS (Information Security Management System) meetings every two weeks to review the applicability of cybersecurity policies and protection measures based on the Plan-Do-Check-Act (PDCA) management cycle system. Additionally, internal and external audits are conducted annually to ensure operational compliance and the protection of material assets' confidentiality, integrity, and availability. ISMS focuses on cybersecurity risk management and ensures that IT infrastructure and core systems continuously obtain ISO/IEC 27001 certification. This approach aims to mitigate corporate cybersecurity threats from the perspectives of system, technology, and procedure, and to establish confidential information protection services that meet client requirements.

In addition to ISMS, the Company referred to NIST Cybersecurity Framework (CSF) in 2021 to increase multilayer cybersecurity protections covering cybersecurity's five functions, including identity (developing an organizational understanding for managing cybersecurity risk to systems, people, assets, data, and capabilities), protection (establishment of appropriate safeguards to ensure delivery of critical infrastructure services), detect (defining the appropriate activities for identifying the occurrence of a cybersecurity event), respond (adoption of appropriate activities to take action regarding a detected cybersecurity incident) and recover (identifying ap-

propriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident). The Company fully enforces risk management throughout the cybersecurity life cycle, incorporating the cybersecurity control mechanism into software and hardware operation and daily operating procedure by using innovative cybersecurity defense technology. The Company utilizes the NIST CSF framework for continuous assessment of the Company's cybersecurity maturity, serving as a basis for enhancement efforts.

(2) Corporate Cybersecurity Risk Management and continuous Improvement Structure



(3) Comprehensive Management Plan

Key Points and Achievements:

- Re-validated the Company's ISO27001: 2013 via the third-party information security verification company BSI, and the certification remains valid.. In the meantime, the validation scope also includes e-commerce systems.
- The Pan-European IT team has promoted the implementation of ISO 27001:2013 for important core systems and passed third-party verification.
- The Company's corporate information security organization continues to issue or revise detailed policies for cybersecurity, ensuring that the Company's global IT personnel, product development personnel and its subsidiary IT personnel have information security guidelines to follow.
- Continuous implementation and enforcement of global zero-trust cybersecurity defense and monitoring management mechanisms enhance global cybersecurity defense capabilities.
- Enhanced real-time monitoring of the global vulnerability management dashboard, quickly providing an overview of the information needed for risk control, and strengthened repair standards to reduce risk.
- Enhanced global defense and threat detection information dashboard for real-time overview and management of information security risks.

Multilayer Cybersecurity Protection

Device Security	<ul style="list-style-type: none"> • To comprehensively implement EDR (Endpoint Detection and Response). • To strengthen the detection of malicious software by endpoint antivirus solution. • To comprehensively implement endpoint automated patch management mechanisms.
Account Security	<ul style="list-style-type: none"> • To comprehensively implement MFA (Multi-Factor Authentication) when the employee need to remotely use the Company's resources, such as VPN and cloud services. • To cooperate with third party for searching the account exposed in dark web so the Company may change the passwords actively. • To activate account suspicious access monitoring mechanisms.
Network Security	<ul style="list-style-type: none"> • To strengthen the firewalls and the management of ACL (Access-control list). • To implement NAC (Network Access Control) and forbid non-complaint devices to access the Company's resources. • To Standardize global network security configurations.
Application Security	<ul style="list-style-type: none"> • To annually conduct web security assessment to the website which provide public service and patch its vulnerability. • To review outdated and vulnerable software and implement necessary upgrade.

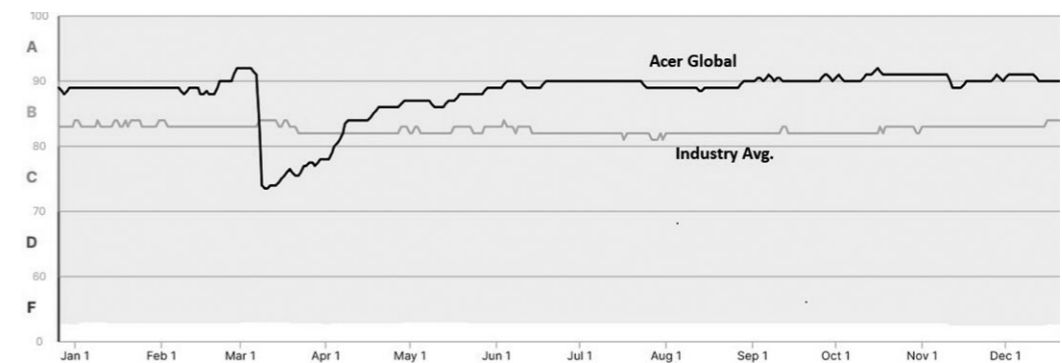
Cybersecurity Management Result Monitoring

The Company continuously responds and corrects cybersecurity defects by third-party assessments to ensure that its cybersecurity protection mechanism meets industry standards.

Assessment of Cybersecurity Maturity	<ul style="list-style-type: none"> • To engage external experts for the Company's cybersecurity assessment.
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The industry average standard, represented by the blue line, is around 82 points, indicating a maturity level of B.

The Company's trend is represented by the black curve. Apart from the cybersecurity incidents in the first quarter, it has maintained an upward trend. Since June 2023, it has stabilized above the industry average, with a score of 90, maintaining an A-level maturity rating.



Review and Continuous Improvement

Cybersecurity Training and Publicity	<ul style="list-style-type: none"> • To conduct training periodically for enhance the employees' cybersecurity awareness. • To strengthen the employees' awareness to phishing email and implement related email protection solution.
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(4) Investments in Resources for Cybersecurity Management

2023 Corporate Cybersecurity Measure Execution Results



8.6.14.2 Cybersecurity Risks and Mitigating Measures:

1. Cybersecurity Risks and Management Measures

The Company has been established comprehensive internet and computer cybersecurity protection measures but cannot guarantee to fully avoid the third party's internet attacks which may cause breakdown of the computer systems controlling the corporate's major functions. Under the condition of serious internet attacks, the systems may probably lose the Company's important data. Malicious hackers and the interest attacks caused by geopolitics can also intentionally spread computer virus, destructive software, and ransomware in the Company's systems and disturb the Company's operation.

The Company was attacked by ransomware because a employee accidentally opened a phishing email, and will probable face similar attacks in the future. In order to prevent and mitigate the damages caused by these kinds of attacks, the Company implements and continuously improves related measures. For example, the Company may implement malicious email filter mechanism can reduce the phishing emails received by the employee, strengthen the firewalls and network control to prevent malware infection crossing different regions, control special accounts by multilayer mechanism to prevent account hacking, implement advanced resolutions to review the machine compliance, execute the system vulnerability scan and patching periodically and conduct the employee's awareness practice.

The Company's cybersecurity defenses would focus on the following issues:

1. The Company shall prevent the customer data leakage. Given that the Company is under multilayer protections, the hackers is unable to obtain the customer data by ransomware attack.
2. The Company shall strengthen overall cybersecurity defense and monitor mechanism. Considering the difficulties of attack, the hackers may reduce their attack intentions. The Company may also implement overall endpoint detection and response software to ensure the visibility of abnormal behaviors.
3. The Company may divide its internal systems, adopt zero trust structure among each regional system and the headquarters' data center, and strengthen the business continuity practice of IT systems. Therefore, the Company may reduce the affected scope even under the hacker's malicious attack, and recover the system within an acceptable time frame.

2. Major Cybersecurity Event

There is no major cybersecurity event in 2023.

3. Key Focus Areas for Cybersecurity Management in 2023

1. To continuously maintain the ISO 27001 Information Security Management System, implement the PDCA continuous improvement management spirit, and conduct ISO 27001:2022 Workshops to ensure that colleagues' awareness and control measures are upgraded according to the new standards for reducing cybersecurity risks.
2. To revise cybersecurity policies and management guidelines, and continue to issue global Cybersecurity detailed policies to ensure alignment of organizational cybersecurity practices with the new specifications of ISO 27001:2022.
3. To expand ISO 27001 management specifications and certifications to other overseas branches, enhance global cybersecurity defense capabilities and expand the foundation of overall security management for enhancing the company's image and achieving sustainable business goals.
4. To continuously conduct cybersecurity scenario drills to strengthen employees' cybersecurity incident response capabilities and the company's risk tolerance to attacks.
5. To implement endpoint OS automated Patching solutions for enhancing endpoint security.

4. Third-party verification records

On September 13, 2022, the Company passed the re-validation of ISO 27001:2013 by the third-party information security verification company BSI, and the certification remains valid.

On March 16, 2023, the Company passed the subsequent visit verification of ISO 27001:2013 by the third-party information security verification company BSI, and the certification remains valid.

On September 14, 2023, the Company passed the re-validation of ISO 27001:2013 by the third-party information security verification company BSI, and the certification remains valid.

8.7 Other Necessary Supplement: None

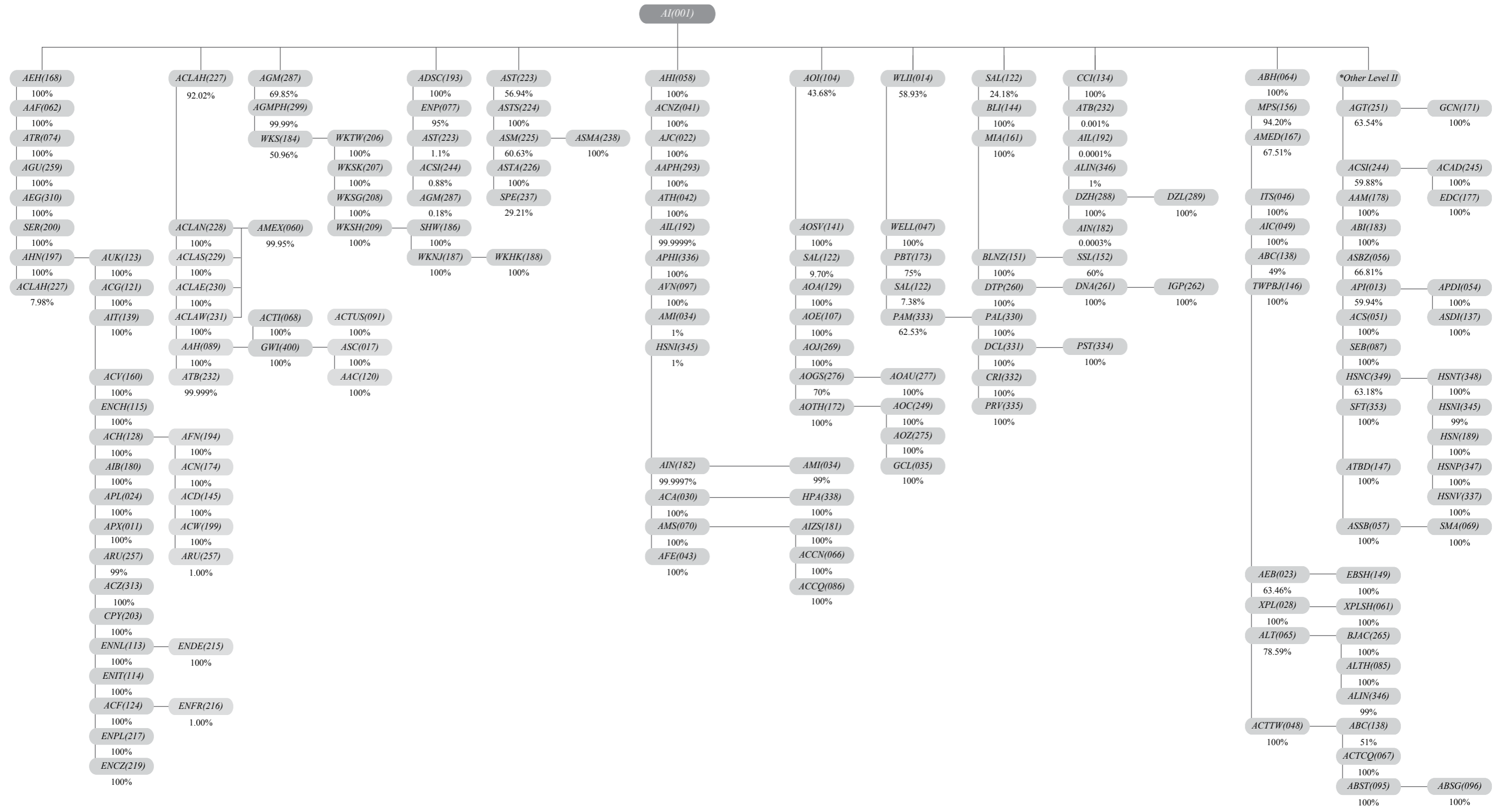
Special Notes

9

1. Information related to the company's affiliates

1.1 Organization Chart of Subsidiaries

As of December 31, 2023



1.2 Acer Subsidiaries

1.2.1 Acer IPO Subsidiaries

AOPEN Incorporated (AOPEN, 3046.TW)

Company Profile

- (1) Date of Incorporation : 1996/12/1 (3) Tel : +886-2-7710-1195
 (2) Address : 9F, No.88, Sec. 1 Xintai 5th Road, Xizhi, New Taipei City 221, Taiwan, R.O.C (4) Website : www.aopen.com

Introduction

AOPEN, a multinational technology company headquartered in Taiwan, it was founded in 1996 and is now an Acer group company. AOPEN provides global certified service and specializes in commercial and industrial services and products, including industrial PC (IPC) products for process control and data acquisition, as well as Artificial Intelligence of Things (AIoT) technologies and digital signage applications. With Acer technology and group power, AOPEN is well-positioned to meet the needs of its partners and customers across quality and support.

AOPEN has extensive experience in global industrial applications market. It serves customers in more than 100 countries and covers various industries. It also cooperates with partners to cultivate business in digital signage, Kiosk, cloud computing, Product design of miniaturized computing host technology and touch technology such as machine vision and security monitoring.

Management Team

Chairman : Victor Chien Independent Directors : Grace Lung, Steve Tso, Andrew Chang, TF Chen
 Directors : Jason Chen, Maverick Shih President : Ken Wang

The company's shareholding

Number of shares: 34,264,311 shares Percentage of Ownership: 43.68%

Company Profile (Consolidated)

As date of 2023/12/31

Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
784,480	2,779,563	1,367,622	1,411,941	5,666,834	165,138	228,903	3.14

Acer Cyber Security Inc. (ACSI, 6690.TW)

Company Profile

- (1) Date of Incorporation : 2000/5/29 (3) Tel : +886-2-8979-6286
 (2) Address : 8F, No. 563, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.) (4) Website : www.acercsi.com

Introduction

Acer Cyber Security Inc. (ACSI) is a professional information security service provider specializing in IT and operation technology (OT) management. Its main services include information security consulting management, security operation center (SOC) operation management, operation continuity, information sharing and analysis center (ISAC) setup and monitoring services, antivirus and anti-hacking, security testing, vulnerability scanning, penetration testing, and digital forensics.

In terms of business operations, ACSI relies on its own professional technical capabilities in information security research and development, to assist enterprises in managing IT and OT security, cloud applications, and daily data and system backup, providing a comprehensive range of security services and helping customers build lean security protection capabilities.

ACSI has collaborated with Acer eDC, a cloud architecture provider, to develop the Cloud SOC service, which provides integrated cloud security services for enterprises. Acer eDC's cloud security technology capabilities have earned it the title of Microsoft Top Security's best security partner. The Azure cloud device log and data integration platform API are integrated with ACSI's SOC core technology strength, to report related cloud security events, making Acer eDC an important piece in ACSI's fast-developing cloud security service offerings. This collaboration not only meets the urgent needs of enterprises for cloud security, but also builds operational advantages for ACSI in sustainable development of security services.

Future/Currently Developing New Products and Services

In response to the increasingly diverse patterns of cybersecurity threats, and to better meet market demand, ACSI continues to innovate and optimize the quality of its cybersecurity services. ACSI continues to invest resources in the development of emerging cybersecurity services and solutions. Currently, ACSI's main strategy still centers around the Security Operation Center (SOC) as its core, while increasing its clients' demand for zero-trust architecture, accelerating the deployment of Cloud SOC, integrating cloud and on-premise event notification and 24/7 monitoring. ACSI not only strengthens its existing cybersecurity detection, compliance inspection, and OT detection, but also adds new semiconductor production line equipment cybersecurity standard specifications (SEMI E187) and cloud service detection.

Acer Cyber Security Academy, a subsidiary dedicated to promoting cybersecurity talent development, has obtained certification from the Taiwan Occupational Skill Development and Quality Management System (TTQS) of the Ministry of Labor. This accelerates the establishment of vocational training institutions, which will expand the scale of physical courses and enterprise training, enhancing the capacity for talent development and cybersecurity skills education and training services. In response to various hacking attacks recently, ACSI provides cybersecurity attack and defense field exercises service. I.e., within a certain time frame, the referee ("Purple Team") issues exercise propositions for the attack team ("Red Team") and the defense team ("Blue Team") to conduct practical attack and defense exercises in order to simulate, as a government agency or an enterprise facing attacks from hackers, how to respond to such attacks in time and trace attack IP addresses. Through such attack and defense field exercise service, the cybersecurity resilience for national critical infrastructures or enterprises' operation continuity can be strengthened, and the ability of government agencies or enterprises to respond to unexpected hacker attacks can be verified.

Management Team

Chairman : Maverick Shih Independent Directors : Grace Lung, Sophia Tong, Dung-Chun Tsai, Catherine Lee
 Directors : Meggy Chen, Jack Tsai President : Rex Wu

The company's shareholding

Number of shares: 13,295,601 shares Percentage of Ownership: 59.88%

Company Profile (Consolidated)

As date of 2023/12/31

Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
222,045	2,519,973	1,225,733	1,294,240	1,844,558	232,997	190,587	8.66

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

Company Profile

- (1) Date of Incorporation: 2017/9/13 (3) Tel : +886-3-533-9141
 (2) Address: 6F.-3, No. 33, Huanke 1st Rd., Zhubei City, Hsinchu County, Taiwan (R.O.C.) (4) Website : www.acer-ast.com

Introduction

Acer Synergy Tech Corp. ("AST") was founded in 2017 and listed on the Taipei Exchange in December 2020 with the stock symbol: 6751. AST provides customers one-stop-shop for integrated IT services. The extensive experience and knowledge of AST's professional and technical teams, combined with the collaboration with strategic business partner, AST provides customized application systems based on the needs of customers for the IT environment. The AST's service of information system integration includes the installation of computer equipment, network equipment, storage devices, application software and planning, integration, consulting, and management of enterprise infrastructure, as well as long and short term outsourcing services. Customers can rely on AST for the technical knowhow and the aforementioned service, and achieves their goals of operation and strategy related to the information technology plan.

Current service offering are as follows:

A. Enterprise Infrastructure

AST will consider and design the Information Technology ("IT") architecture planning and application architecture planning together to provide customers a comprehensive enterprise infrastructure planning. IT architecture planning includes: Datacenter Planning; Network Planning; Infrastructure Planning; Information Security Surveillance and Consulting; Sustainable Development and IT Backup Planning; Virtual Infrastructure Planning; Shared System Mechanism Planning; and Operation Management Planning.

B. Information System Integration Service

The service item includes: Server Infrastructure Optimization; Network Setting and Optimization; Infrastructure Implementation and Optimization; Solution Designation and Implementation; and the Planning, integration, installation, fault diagnosis, troubleshooting, online support and management of enterprise information infrastructure.

C. Information Infrastructure Operation Service

AST will provide support service in various fields after setting up the information infrastructure completely, and the service includes: Server Monitoring; Storage Management and Monitoring; Communication Management for Datacenter; Virtual System Management; Terminal Desktop Management (PC/NB/VDI).

AST can monitor relevant data, aggregate the information system application situation, and provide customers suggestions and optimization of operation management and system capacity planning.

Future/Current Development of New Products and Service:

A. The Consulting Service of Enterprise Infrastructure:

- Industry application information system architecture planning in the financial and manufacturing industries.
- Information system integration application in other industries.

B. The Integrated Application between Information Security Products and System Platform.

- The integrated application solutions for information security (network isolation) products.
- The integrated application solution for Software define data center.
- The information platform establishment and integration services.
- The integrated application solutions for IT service management services.

Management Team

Chairman : Maverick Shih Independent Directors : Nancy Hu, Teresa Cheng, Cathy Yen, Ian Liao
 Directors : Meggy Chen, Andy Lin President : KS Harn

The company's shareholding

Number of shares: 12,639,874 shares Percentage of Ownership: 56.94%

Company Profile (Consolidated)

As date of 2023/12/31

Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
222,000	1,834,572	590,006	1,244,566	1,738,519	130,748	108,485	3.07

Weblink International Inc. (Weblink, 6776.TW)

Company Profile

- (1) Date of Incorporation: 1977/12/22 (3) Tel: +886-2-2371-6000
 (2) Address: 2-4F., No. 39, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.) (4) Website: www.weblink.com.tw

Introduction

Weblink was founded in 1997, spun off from Acer, Technology Software and Peripherals Department. Weblink was a listed company at emerging stock market in March, 2020, and a listed company at stock exchange market in March, 2021. Weblink is positioned as a professional channel agent, and fully cooperate with vendors to provide the product distribution, stocking, technical support. Weblink's product portfolio comprises of 150 leading brands including commercial and home information electronics, application software, digital entertainment, system integration, and SMB's solution services etc. In addition to computer and communication related products, Weblink also entered to the beauty-life product business, towards multi-business operations, and to meet the diverse needs of customers.

Weblink acts as the agent for following products:

Category	Main Products
Peripheral products	Screens, Printers and consumables, Motherboards, Graphic cards, Handy drives, Memory cards, Video systems, etc.
System and Mobile device products	Desktop PC, NB, Tablets, and Mobile phones, etc.
Software	Office software, ERP, Graphics, font software, etc.
Living and Tech. products	Game console, Game software, TV, Refrigerators, Washing machines, Air conditioners, Air purifiers, etc.
System Integration products	Workstations, Servers, Netcom, UPS, Digital signages, etc.

Future/Current Development of New Products and Service:

- Act as agent for the related artificial intelligence, big data analysis, cloud computing products.
- Increase the distributorship for or the right of agency of international brands related to computing system.
- Aggressively expand the right of agency for the software of business management solutions.
- Combine the resources of physical appliance stores and virtual channels, to develop a new O2O business operation by Online to Offline model and to create a multiple win-win business model for vendors, distributors, dealers and customers.
- Expand the distributorship for or the right of agency of beauty-life product business.

Management Team

Chairman : Jason Chen Independent Directors : Chester Chin, Rex Dang, Steven Shaw, JJ Wang
 Directors : Meggy Chen, Dave Lin President : Dave Lin

The company's shareholding

Number of shares: 48,073,116 shares Percentage of Ownership: 58.93%

Company Profile (Consolidated)

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
815,814	6,744,457	4,361,294	2,383,163	22,788,997	493,817	411,177	5.06

Acer e-Enabling Service Business Co., Ltd (AEB, 6811.TW)

Company Profile

- (1) Date of Incorporation : 2012/2/22 (3) Tel : +886-2-2784-1000
 (2) Address : 7F-6, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.) (4) Website : www.acerieb.com

Introduction

AEB (ACER E-ENABLING SERVICE BUSINESS INC.) was incorporated in 2012 as a key strategic investment of global IT leader Acer Inc. in the ICT segment. It aims to be the smart digital partner of enterprises in pursuit of digital transformation. AEB and its team of customer success professionals commit to bring corporates proved and best-in-class solutions. The company is the first IT vendor in Taiwan to be certified by Microsoft Taiwan as AE Managed Service Provider (MSP), Cloud Solution Provider (CSP) and Licensing Solution Partner (LSP). AEB is a key-account based, enterprise focus, B2B IT service provider that serves more than 2000 large accounts from government, high-tech, finance institutions, telecommunications, manufacturing, medical and education industries.

In the era of Cloud, AEB partners with 200 plus first-tier solution vendor such as Microsoft, IBM, TrendMicro, Google, AWS, Adobe, Autodesk, Commvault, etc., translates global best practices of digital transformation into local use cases, and enables the success of customers' DX journey with professionals of both business and technology domains.

AEB offers technology consultant, value-added application/ customization development and integration services, system operation and business continuity services to enterprises, and commits to bring enterprises proven and best-in-class solutions of "C3A+P":

- Cloud Service: Private Cloud/ Public Cloud/ Hybrid Cloud/ Multi Cloud.
- AI: Gen AI/Copilot services in developing Customer Service, Knowledge Management and Operation Optimization; AIoT/AOAI services in areas such as Smart Retail/ Smart Medical/ Smart Inspection/ AI Factory, etc.
- Application: Mobile/ Web/ Commercial/ e-Commerce/ Value-added system integration/ Customized Development and Deploy.
- Appliance: Network and Edge Computing.
- PaaS (Platform as a Service): Cloud Managed Service Platform/ e-Book Platform/ e-Payment Platform/ e-Ticketing Platform.

Future/Currently Developing New Products (Services):

- Stay focus on cloud service: With the in-house developed iCMP- intelligent Cloud Management Platform, AEB is now a cloud managed service provider that not only serves more than 100 corporate clients but also capable of meeting the urgent needs of enterprises for FinOp, multi-cloud and hybrid cloud. MDR (Managed Detection and Response) service is added to the Platform that provides customers the wholly views of their cloud security.
- Provide "AI Accelerator Service" to enterprise accounts where they can enjoy AEB's Center of Excellence of Azure Open AI and Copilot. Initial areas of focus are customer services, R&D and Knowledge Management, and operation optimization for various industry.
- Expand offerings in "data backup and disaster recovery" services to enable corporate customers to secure the last mile of information security while on their journey of digital transformation.

Management Team

Chairman : Jason Chen Independent Directors : Honda Chou, Meng-Chao Tseng, David Yeh, Michael Wang
 Directors : Meggy Chen, Maverick Shih President : Sandy Chou

The company's shareholding

Number of shares: 26,304,000 shares Percentage of Ownership: 63.46%

Company Profile

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
414,490	5,621,335	3,658,843	1,962,492	7,550,746	606,854	501,328	12.10

Acer Medical Inc. (AMED, 6857.TW)

Company Profile

- (1) Date of Incorporation: 2008/04/25 (3) Tel: +886-2-2696-0366
 (2) Address: 7F., No. 86, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221421, Taiwan (R.O.C.) (4) Website: www.acer-medical.com

Introduction

Founded in 2018, Acer Medical Inc. (AMED) is the first subsidiary under the Acer Group to focus on preventive medicine. Leveraging our expertise in ICT, we specialize in AI and big data analytics with a focus on preventive medicine. Our journey began with diagnostic medical imaging and subsequently expanded to medical device software, hardware integration solutions, and healthcare management innovations. Through interdisciplinary collaborations across medial and healthcare sectors, we seamlessly embed AI in the medical landscape, empowering healthcare providers to enhance and realize the goals of "Health Promotions," "Disease Prevention," and "Medical Care."

Acer Medical is a Taiwan Food and Drug Administration (TFDA) Quality Management System (QMS) and ISO 13485 certified company dedicated to developing innovative AI-assisted diagnostic software. Our flagship product, VeriSee DR, is the first AI-assisted diagnostic software for diabetic retinopathy (DR) to receive medical device approval from the TFDA. VeriSee DR leverages deep learning technology to analyze medical images and generate diagnostic results with accuracy comparable to that of experienced ophthalmologists. This empowers clinicians to efficiently identify high-risk patients among the millions of people living with diabetes, enabling timely intervention and improved patient outcomes. Furthermore, Acer Medical's AI-assisted diagnostic software does not require internet connection and provides instant results for patients. In addition, the software can be seamlessly integrated with hospital information systems, facilitating smooth adoption into existing clinical workflows and achieve the goal of cross-departmental care.

Building on the success of VeriSee DR, Acer Medical has subsequently developed VeriSee AMD (AI-assisted screening software for age-related macular degeneration) and obtained a medical device license from TFDA in 2022, providing a richer range of ophthalmic solutions. In 2023, Acer Medical further launched VeriOsteo OP, an AI-assisted screening software for abnormal bone mineral density (BMD), the first of its kind to be approved by TFDA. By analyzing chest X-ray images, VeriOsteo OP predicts the BMD, calculates the T-score from the BMD, and automatically outputs a recommendation on BMD abnormalities with nearly 90% accuracy. This information assists healthcare professionals in assessing the risk of BMD abnormalities, enabling them to make informed decisions regarding referrals. VeriOsteo OP provides a more convenient option for individuals seeking to screen for BMD abnormalities.

Acer Medical is actively expanding the global reach of its AI solutions through partnerships with leading medical centers, research institutions, and global pharmaceutical and medical device companies. VeriSee DR has already received medical device approval in several countries, including Thailand, Malaysia, Indonesia, and the Philippines. Furthermore, VeriSee DR has been successfully deployed in multiple healthcare institutions worldwide.

Acer Medical, with its outstanding achievements in the research and development and promotion of AI-based medical devices, was officially listed on the Pioneer Stock Board (PSB) (code: 6857) in October 2021, and transferred to the emerging stock market in March 2022.

Current and Future Projects under Development

Acer Medical is committed to continuous innovation and the development of new AI-assisted diagnostic and screening solutions. Our current focus areas include:

A. Expanding Eye Care Solutions

We are committed to expanding our eye care product portfolio. By leveraging AI-assisted medical devices, we aim to enable the diagnosis and screening of more diseases from a single medical image. This will facilitate early detection and treatment, reduce the burden on healthcare professionals, and ultimately improving patient outcomes.

B. Diversifying into Non-Eye Care and Wellness Solutions

We are expanding our portfolio to include AI solutions for non-eye care areas and the broader wellness industry. Our goal is to increase awareness of personal health risks and promote early prevention, ultimately leading to more efficient use of healthcare resources and improved overall health.

Management Team

Chairman : Allen Lien Independent Directors : Mon-Han, Wu, Shou-Jen, Kuo, Hsu-Sung, Kuo, Wen-Yueh, Chan
 Directors : Jason Chen, Stan Shih President : Allen Lien

The company's shareholding

Number of shares: 10,279,005 shares Percentage of Ownership: 67.51%

Company Profile

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
152,260	259,427	37,490	221,937	27,448	(41,160)	(38,181)	(2.51)

Highpoint Service Network Corporation (HSNC, 6884.TW)

Company Profile

(1) Date of Incorporation: 2018/9/14 (3) Tel: +886-2-2719-5000
 (2) Address: 7F., No. 82, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221006, Taiwan (R.O.C.) (4) Website : www.hsnservice.com/tw

Introduction

Highpoint Service Network Corporation (HSNC) is a company providing computer, computer accessories, server, workstation, consumer electronics, network equipment, and server room equipment malfunction detect, repair and maintenance service for multiple brands.

Besides headquarter and several service centers in Taiwan, HSNC has also set up subsidiaries in Malaysia, Thailand, Philippines, Indonesia, and Vietnam to provide service around Taiwan and South East Asia region.

HSNC not only services enterprise clients but also general consumers. HSNC can provide customization service for equipment malfunction detect, repair and maintenance depending on enterprise clients' need. To service consumers, HSNC has established several service centers around Taiwan and South East Asia region. Consumers may obtain professional malfunction detect, repair service in HSNC service centers during normal business hours. In addition, HSNC has successfully built business relationship with some well-known electronic product and accessories brand companies as their authorized malfunction detect, repair and maintenance service provider. HSNC would keep expand service scope and enhance service quality. Currently, HANC has been registering the public issuance of its shares on the emerging stock market and is preparing to file application for its shares to be listed over-the-counter (OTC) in Taiwan.

Currently, HSNC's main business scope includes:

A. Multi-brands malfunction detect and repair service center:

HSNC has established several multi-brands repair service centers in Taiwan and South East Asia region. By those service centers, HSNC can cooperate with well-known electronic product and accessories brand companies, provide them satisfied and high-quality service, assist them to build service base rapidly in specific areas, and play a professional malfunction detect and repair service consultant role for them. Meanwhile, general consumers also have access to HSNC service center for professional repair service.

B. Global Contact Center:

In order to fulfill clients' service demand globally, HSNC has established Global Contact Center in Philippines due to the language advantage there, aiming global Business Process Outsourcing (BPO) market. By doing so, HSNC can provide brand clients with more valuable service and expand its service area to other areas.

C. Enterprise malfunction detect, repair and maintenance service:

Currently, HSNC's business is focus on Taiwan and South East Asia region, providing hardware and software on-site repair and maintenance service and solutions to enterprise clients. One of the major competition advantage of HSNC is its capability of providing service in multiple countries, therefore HSNC would be able to cover multinational enterprise clients. HSNC is successfully being clients' primary cooperation choice because of its consistent high-quality service and the capacity of creating extra value.

Management Team

Chairman : Andrew Hou **Independent Directors :** Syuan Wang, Yao-Dong Wang, Shou-Jhen Cheng, Shao-Guo Huang
Directors : Lucia Liao, Meggy Chen **President :** Jacky Lin

The company's shareholding

Number of shares: 10,742,881 shares Percentage of Ownership: 63.18%

Company Profile (Consolidated)

As date of 2023/12/31
Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
162,100	442,568	236,988	205,580	904,117	35,318	24,595	1.52

Acer Gadget Inc.(AGT, 2432.TW)

Company Profile

(1) Date of Incorporation: 1986/03/27 (3) Tel: +886-2-2696-0296
 (2) Address: 7F.-5, NO. 369, FUXING N. RD., SONGSHAN DIST., TAIPEI CITY 105001, TAIWAN (R.O.C.) (4) Website: www.acergadget.com

Introduction

Acer Gadget Inc. (Acer Gadget) established in March 1986 with former company name as E-TEN Information System Co. Ltd. Following a transformative merger with Acer's GadgeTek Inc. in 2021, we have reemerged as Acer Gadget Inc. Operating from our headquarters in Taiwan, we leverage a comprehensive sales network that reaches across five continents. At Acer Gadget, our brand mission is to innovate for a smarter lifestyle through cutting-edge technology. We specialize in crossover integration, crafting products, services, and solutions that revolutionize daily life in areas such as clothing, transportation, work, and entertainment. Our diverse range leads with computer accessories and peripherals, followed by advanced eMobility transportation devices, the Acer Apparel fashion line, the Xplova sports series, ePay wearables, and concludes with our bespoke app and e-commerce development services.

In alignment with our commitment to ESG principles, AI, and big data, Acer Gadget is pioneering the development of products that harness kinetic energy for electrical power, furthering our ESG goals. We're advancing AI-driven eMobility solutions that, through machine learning, offer a more personalized riding experience, constantly evolving to fulfill user needs. As we look to the future, our ambition extends beyond leading new ventures within the Acer Group; we strive to grow with our customers, co-create value, and embrace the vast potential of tomorrow.

Product Lineup

- Accessories and Computer Peripherals

Whether it's for productivity or gaming, choosing tools with the right features is critical for success. Combining comfort, style, and innovation, Acer Gadget helps customers stay productive at work and gain a competitive edge in the game via a lineup of innovative PC accessories including mice, keyboards, headsets, and more.

- Smart eMobility

In the realm of smart eMobility, Acer Gadget introduces AI technology to provide smarter, safer, and more eco-friendly solutions for urban commuting and outdoor exploration. From eScooter to AI-driven e-bikes, we continuously explore how technology can improve mobility experiences, making every journey enjoyable while minimizing environmental impact.

- Kinetic Tech

Acer Gadget is at the forefront of exploring innovative technologies that convert kinetic energy from everyday activities into electrical power. Our unique product designs, such as devices that merge fitness with work, not only promote sustainable energy use but also offer users a new way to embrace a healthy lifestyle. These technological solutions reflect our commitment to environmental protection and our pursuit of combining innovation with practicality.

- Acer Apparel

Acer Apparel originated from the Acer Group and is now part of the Acer Gadget's business. It has distributed millions of computer bags around the world every year for over 20 years. Acer Apparel designs, procures, distributes and markets soft products and luggage such as bags, backpacks, protective covers, mouse pads, and more. In recent years, existing resources have been integrated to further expand business to clothing and related wearable accessories, providing a more diversified product portfolio for an existing and newly expanded customer base.

- Xplova

Xplova is Acer Gadget's outdoor and sports brand.. Starting from the needs of sports and outdoor enthusiasts, Xplova is challenging customer to push their physical limits, whether indoors, outdoors, running, or cycling. Xplova products are now available worldwide.

Through a marriage of software and hardware, harnessing fitness data, and recreating realistic virtual environments, we are helping consumers have fun and develop fitness habits through technology. Xplova is committed to fostering a social network for sports enthusiasts to achieve healthy living.

- ePay Wearable Product Series

The Acer Gadget Wearable Products Series is committed to creating products for a multitude of customer lifestyles. Among them, the ePay wearable product series is designed for contactless payment to conveniently change payment methods as we go about our lives. The ePay Wearable Series is a series of wearable accessories developed in cooperation with several electronic payment companies in Taiwan. With exclusively developed 3D sensor payment technology, users can travel between cities with contactless payment.

- Digital Solutions: Mobile App and Ecommerce Website Customization

Acer Gadget provides customized application and ecommerce website building services to clients from all walks of life, helping clients create and optimize product portfolios and drive success stories.

Management Team

Chairman : Jerry Kao

Independent Directors : Chen Kuang Wang, Ming Hui Lin, Lori King, Jones Yu

Directors : Jason Chen, Sophia Chen

President : Allen Jong

The company's shareholding

Number of shares: 39,308,288 shares

Percentage of Ownership: 63.54%

Company Profile (Consolidated)

As date of 2023/12/31

Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
618,600	1,860,718	587,122	1,273,596	2,085,866	108,011	121,263	1.98

Acer Gaming Inc. (AGM, 6908.TW)**Company Profile**

(1) Date of Incorporation: 2020/07/31

(3) Tel: +886-2-2696-0068

(2) Address: 15F., No. 84, Xintai 5th Rd., Xizhi Dist., New Taipei City

(4) Website: www.acergaming.com**Introduction**

Acer Gaming Inc. was established with the vision of building a gaming ecosystem. It provides gaming products and services including consumer electronics, gaming software, gaming platforms, network services, and game content. Acer Gaming is a distributor of Sony PlayStation 5, Logitech sim-racing equipment, ASTRO gaming headsets, SEGA games, and HORI gaming accessories in Taiwan. Recently it cooperated with Komodo to become an authorized reseller of Steam Deck in Taiwan and Hong Kong.

Acer Gaming endeavors to provide gamers with a complete online and offline experience and welcomes partnerships with international game companies. In 2022, Acer Gaming acquired a game content design company, Winking Studios.

Management Team

Chairman : Jerry Kao

Independent Directors : Dennis Chan, Ying-Ying Liao, Lan Liao

Directors : Jason Chen, Vincent Wei

President: James Hsu

The company's shareholding

Number of shares: 24,449,062 shares

Percentage of Ownership: 69.85%

Company Profile (Consolidated)

As date of 2023/12/31

Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
350,000	2,586,944	1,040,256	1,546,688	4,723,769	78,072	74,831	1.70

ACER SYNERGY MANPOWER CORP. (ASM, 7706.TW)

Company Profile

- (1) Establishment date : 2019/11/20 (3) Tel: +886-3-656-7588
 (2) Address: 6 F.-2, No. 33, Huanke 1st Rd., Zhubei City, Hsinchu County 302047, Taiwan (R.O.C.) (4) Website: www.acer-asm.com

Introduction

Acer Synergy Manpower Corp. (ASM) was established in November 2019 to cater to the growing demand for diversified and flexible human resources integration services.

With the intensifying international competition, industries require a wide range of human resources to maintain their competitive edge. As a member of the Acer Group, ASM leverages over 30 years of experience in the information services industry, strong service technology expertise, professional information planning consultants, and numerous partners to provide full-function human resources services, software development services, and enterprise management platform integration services. Whether it's short-term or long-term, ASM's services cater to the operational strategies of our customers, enabling them to focus on developing their core businesses, maintaining their competitive advantages, controlling costs effectively, reducing labor costs and operational risks, and maintaining flexibility in corporate development.

Business operations include:

- A. Professional human resources services: providing short-term to long-term outsourcing and dispatching services for the information and technology industry, aimed at providing customers with the best talent and assistance.
- B. Software project development services: providing assistance to customers with software project planning and development, and also dispatches professional personnel to enterprises to provide software development services tailored to the customer's needs.
- C. Enterprise management platform integration services: providing service platform integration planning, recommendations, and execution according to the customer's operational needs.

Operational advantages include:

- Team with IT expertise: professional team with over 30 years of experience in hardware, software, and information services.
- Team with HR service expertise: professional team with extensive experience in human resources services, providing professional services for different needs of talents.
- Full-function enterprise solutions: with a range of solutions for enterprises, offering diverse and flexible service modes.
- Global supports: With the support of ACER group's global service locations, ASM are able to meet the global strategic needs of our customers.

Management Team

Chairman : KS Harn Independent Directors : Andy Wang, Eric Lan, Claudia Ku, Kevin Cheng
 Directors : Maverick Shih, Grace Chen President: Anne Chen

The company's shareholding

Number of shares: 6,062,877 shares Percentage of Ownership: 60.63%

Company Profile (Consolidated)

As date of 2023/12/31
Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
100,000	217,669	80,612	137,057	339,936	10,044	8,589	1.41

PROTRADE APPLIED MATERIALS CORP. (Protrade, 6972.TW)

Company Profile

- (1) Date of Incorporation: 2001/8/7 (3) Tel: +886-2-2795-5338
 (2) Address: 8F., No. 59, Ln. 77, Xing'ai Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.) (4) Website: www.protrade.org

Introduction

Protrade is a professional trading and distribution company of rubber and plastic materials, with complete logistics solutions such as product procurement, distribution, storage and packaging, providing customers with perfect and reliable services.

Protrade and its affiliates was founded in 1985 in Redmond, Washington State, USA, and established its operating headquarters in Taipei in 2001. The main product categories include synthetic rubber, natural rubber, plastic, hydrocarbon resins, fillers, processing oils, chemicals, etc. The business activities cover more than 40 countries on five continents. In addition to the United States and Taiwan, it has offices in Shanghai - China, Mumbai - India and Ho Chi Minh City - Vietnam.

Management Team

Chairman : Dave Lin Supervisor: Cathay Wang, Alice Chang
 Directors : Jason Chen, Andy Lin, Lydia Wu, Sophia Chen President : Gordon Christopher Bell

The company's shareholding

Acer's subsidiary, Weblink International, owns 62.53% majority shares of Protrade Group.

Company Profile (Consolidated)

As date of 2023/12/31
Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
229,347	1,530,370	1,032,154	498,216	4,911,687	65,526	15,361	0.67

Winking Studios Limited (WINKING, listed on the Catalist Board of the Singapore Exchange)

Company Profile

- (1) Date of Incorporation: 2005/12/15 (3) Tel: +886.2-8979-5568
 (2) Address: 1F., No. 158, Ruihu St., Neihu Dist., Taipei City (4) Website: www.winkingworks.com

Introduction

WINKING, founded from "WindThunder Studio" in 1997, has accumulated more than 20 years of experience in the gaming industry, and it provides digital art production and game development services. It is one of the largest digital art production and gaming development and production service providers in Greater China area. With advanced manufacturing process and abundant management experience, it provides complete art production and gaming development services for global gaming manufacturers. Including digital content such as computer games, video games, mobile games, VR, Metaverse, NFT, etc., WINKING, according to customers' need, plot content and character personality, provides 2D original paintings/3D models/game 3D actions, game scenes, props and a series of rich and diverse creativity and innovative art achievements for the characters.

WINKING has provided professional services for more than 150 customers and more than 1,100 projects. WINKING's major customers and partners all over the world are leaders in the gaming industry and well-known manufacturers loved by consumers. WINKING has established professional R&D studios and operating bases in Taipei, Shanghai, Nanjing, and Singapore, with more than 700 employees, providing trusted products and services, and establishing a good reputation and a well-known brand. Winking has already listed on the Catalist Board of the Singapore Exchange on November 20, 2023

Future/Currently developing new products (services):

- A. Keep improving technology and innovation capabilities, realize the trends of VR and metaverse, and develop internationally renowned brands.
 B. Make a global layout, enhance the team's production, and establish a diversified and international service team.

Management Team

Chairman : Cheng-Han Jan Directors : Cheng-Han Jan, Kao Shu Kuo, Lim Heng Choon, Yi-Hao Chang, Yang Wu Te
 President : Cheng-Han Jan

The company's shareholding

Acer's subsidiary, Acer gaming Inc., owns 50.96% majority shares of WINKING.

Company Profile (Consolidated)

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
262,477	937,525	331,986	605,539	912,835	33,377	48,145	0.2

1.2.2 Acer IPO Subsidiaries in plans

Altos Computing Inc. (ALT)

Company Profile

- (1) Date of Incorporation: 2016/9/20 (3) Tel: +886-2-2696-0289
 (2) Address: 6F., No. 99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.) (4) Website: www.altoscomputing.com

Introduction

The business model of Altos Computing Inc. (ALT) is to provide solution of High-Performance Computing system (including artificial intelligent computing) and cloud computing. ALT also provides customized system and solutions to customers for their needs on meteorology simulation, fluid dynamics calculation, deep learning calculation, computer learning calculation, edge computing, cloud computing. The main products and service scope of ALT are as following :

A. High-Performance Computing solution

ALT provides High-Performance Computing system with high clock speed and multi-core processor, large capacity memory, and broadband internet. ALT High-Performance Computing system has the ability to provide remote system management, preventive error detection management, server group management, group power management strategy, automatic prompt alert and multi-tunnel notification service to satisfy the demand of high-performance computing from government institution, universities, and enterprise clients for fundamental science research and development of advanced technology.

ALT also provides customized system for the requirement of artificial intelligence computing system. The customized system may provide optimal management on existing accelerator through unique load-balancing algorithm based on the demand of deep learning and computer learning and would effectively enhance preciseness of artificial intelligence computing system and calculation efficiency.

B. Cloud computing solution

ALT supplies various systems architecture integrated with servers, workstations, storage system, Thin Client, or virtualization technology as application solutions to help education institution and enterprise clients. For example, Virtual Desktop Infrastructure (VDI) can simplify system management and operation, and enhance flexibility to reduce the cost incurred from computer terminal control and improve system liability. And Intelligent Desktop Virtualization (IDV) can satisfy clients' demand on computer terminal's centralization management, flexibility, computing efficiency optimization but keep uniformity of system management and operation simultaneously by utilizing virtualization technology in computer terminal to enhance computing performance.

C. Computing system products

ALT provides various series of servers and workstations to clients, and develops AI Development Platform (ADP), Thin Clients, Uninterruptible Power Supply system.

Future/Current Development of New Products and Service:

A. Intelligent computing application solution:

Virtual Desktop Infrastructure and Intelligent Desktop Virtualization platform service solution.

B. New generation of computing system:

New generation of high density server, rack server, tower server, workstation, edge computing system, storage system, Thin Client, Uninterruptible Power Supply system.

Management Team

Chairman : Andrew Hou Supervisor: Dick Tan, Vincent Chi
 Directors : Jason Chen, Jerry Kao, Meggy Chen, Jeff J. Lee President : Jackie Lee

The company's shareholding

Number of shares: 6,580,717 shares Percentage of Ownership: 78.59%

Company Profile (Consolidated)

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
83,730	767,929	680,566	87,063	1,540,780	8,518	6,733	0.80

Acer ITS Inc. (ITS)

Company Profile

- (1) Date of Incorporation: 2017/9/21 (3) Tel:+886-2-2696-3690
 (2) Address : 23F, NO.94, SEC. 1, XINTAI 5TH RD., XIZHI DIST., NEW TAIPEI CITY, TAIWAN (R.O.C.) (4) Website: www.acerits.com

Introduction

Acer ITS, an Acer subsidiary, specializes in solutions which incorporate smart transportation and electronic payment capabilities to improve people's quality of life. Acer ITS extends the application of multi-payment technology to various fields of life, whether it is multi-payment for public transportation, taxi or rehabilitation bus, payment for Roadside parking at smart parking meters. These technical services provided by Acer ITS are ubiquitous.

As a pioneer of smart city solutions, Acer ITS pays more attention to the executable application. Among them, the "smart Roadside parking management system" has the largest market share in Taiwan. There are commercial-operated areas in Tainan City, Taipei City, New Taipei City, Miaoli Zhunan. In recent years, in line with the development trend of EV, some of the new generations of smart parking meters have been integrated into EV chargers, adhering to the original intention of Acer Group for the sustainable development of ESG.

With more than 20 years of experience in payment technology research and development, we have outlined a blueprint for various applications for smart cities. With the "PAKU multi-payment platform", the entire lifestyle is connected. The application fields of the solution range from public transportation to private vehicles, and then expand to various life fields:

- A. Bus/Exhibition: Smart Multiple Payment Solutions.
- B. On-street parking: Smart Roadside Parking EV Charging Solution.
- C. Off-street parking: Smart Parking Solution.
- D. Paratransit system/stores: Smart Micro Multiple Payment Solution.
- E. More life fields (including shared bicycles/libraries, etc.): Smart Micro e-ticketing module.

Management Team

Chairman : Jason Chen Supervisor: Dick Tan, Vincent Chi
 Directors : Maverick Shih, Lydia Wu, Meggy Chen, Andy Lin President : Kenny Yu

The company's shareholding

Number of shares: 15,750,000 shares Percentage of Ownership: 100 %

Company Profile

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
157,500	888,047	798,121	89,926	335,784	(36,666)	(42,925)	(1.67)

Acer Mobile Power System Inc. (MPS)

Company Profile

- (1) Date of Incorporation: 2015/07/31 (3) Tel: +886-2-2696-0008
 (2) Address : 7F.-5, No. 369, Fuxing N. Rd., Zhongshan Dist., Taipei City, Taiwan (4) Website : www.acermps.com

Introduction

Acer Mobile Power System Inc. (hereinafter referred to as MPS) is a lithium-ion battery pack designer and e-bike propulsion system solution provider.

Founded in 2015, MPS has been committed to lithium-ion battery pack design and manufacturing since its establishment. The self-designed intelligent Battery Management System (BMS) protects and manages cells, and the robust BMS & cell holder with a clear layout inside assures the safety of battery packs. MPS battery packs are manufactured by ISO9001-certified plants and have obtained several certifications from CE, cTUVus, FCC, EN13849, UN38.3, RoHS, and REACH. MPS battery packs can be applied to various types of applications such as e-bikes, e-cargo bikes, and smart parking charging piles.

MPS also advances in e-bike propulsion system integration. MPS integrates in-house designed battery packs, controllers, HMI, with mid-drive/hub motors, sensors, IoT technology, into a seamless system, providing customers with a one-stop total solution. Depending on each customer's intended use, MPS optimizes the performance and functionality of each component and aims to create an efficient system that delivers a smooth and responsive riding experience for users.

MPS has collaborated with many e-bike brands or shared e-bike companies across Europe, North America, and Australia. MPS core technologies lie in the safety and functional design of the battery pack and well-integrated propulsion system that meets the highest standards of e-bikes. MPS also provides customized services to clients and actively expands the application of battery module technology.

Management Team

Chairman : RC Chang Supervisors : Sophia Chen, Vincent Chi
 Directors : Jason Chen, Meggy Chen, Lydia Wu, Andy Lin President : Bryan Yeh

The company's shareholding

Number of shares: 9,750,278 shares Percentage of Ownership: 94.20%

Company Profile

As date of 2023/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
103,502	131,056	46,833	84,223	284,290	2,277	2,496	0.24

1.3 Information of Acer Subsidiaries

As of December 31, 2023

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
0	001	AI	Acer Incorporated	1976/08/01	Taiwan	TWD	30,478,538	1.00	Sale of brand-name IT products
1	011	APX	Asplex Sp. z o.o.	2009/05/15	Poland	PLN	100	7.81	Repair and maintenance of brand-name IT products
2	013	API	Acerpure Inc.	2016/10/24	Taiwan	TWD	250,000	1.00	Intelligent solutions of air quality
3	014	WLI	Weblink International Inc.	1977/12/22	Taiwan	TWD	815,814	1.00	Sale of computers and communication products
4	017	ASC	Acer Service Corporation	2005/09/12	U.S.A.	USD	-	30.74	Repair and maintenance of IT products
5	022	AIC	Acer Japan Corp.	1988/02/09	Japan	JPY	200,000	0.22	Sale of brand-name IT products
6	023	AEB	Acer e-Enabling Service Business Inc.	2012/02/22	Taiwan	TWD	414,490	1.00	Providing solutions of cloud and digitalization
7	024	APL	Acer Poland sp. z o.o.	2010/11/25	Poland	PLN	100	7.81	Marketing of brand-name IT products
8	028	XPL	XPLOVA Inc.	2008/09/05	Taiwan	TWD	23,098	1.00	Design, development and sale of smart bicycle speedometer
9	030	ACA	Acer Computer Australia Pty. Limited	1989/09/21	Australia	AUD	67,296	20.94	Sale of brand-name IT products
10	034	AMI	PT. Acer Manufacturing Indonesia	2012/01/12	Indonesia	IDR	2,300,000	0.00	Assembly of brand-name IT products
11	035	GCL	Great Connection LTD.	1993/06/01	H.K.	HKD	300	3.93	Sale of computer, apparatus system, and peripheral equipment
12	041	ACNZ	Acer Computer New Zealand limited	1993/08/18	New Zealand	NZD	12,179	19.42	Sale of brand-name IT products
13	042	ATH	Acer Computer Co., Ltd.	1993/10/29	Thailand	THB	224,078	0.89	Sale of brand-name IT products
14	043	APE	Acer Computer (Far East) Limited	1986/09/30	H.K.	HKD	264,420	3.93	Sale of brand-name IT products
15	046	ITS	Acer ITS Inc.	2017/09/21	Taiwan	TWD	157,500	1.00	Programs and services of intelligent transportation and electronic ticketing
16	047	WELL	Wellife Inc.	2015/12/22	Taiwan	TWD	10,000	1.00	Sales of 3C products and home appliances
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	2016/06/06	Taiwan	TWD	29,000	1.00	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware
18	049	AIC	Acer AI Cloud Inc.	2014/10/01	Taiwan	TWD	29,000	1.00	Providing cloud technology and solutions
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	1990/11/29	Singapore	SGD	3,985	23.28	Sale of brand-name IT products
20	054	APDI	Acer Property Development Inc.	1989/07/27	Taiwan	TWD	29,577	1.00	Solar optronics business
21	056	ASBZ	STARVR CORPORATION	2016/10/03	Taiwan	TWD	6,602	1.00	Solutions provider of B2B virtual reality
22	057	ASSB	Acer Sales And Services Sdn Bhd	1990/09/18	Malaysia	MYR	30,969	6.69	Sale of brand-name IT products
23	058	AHI	Acer Holdings International, Incorporated	1991/04/08	B.V.I.	USD	191,155	30.74	Investment and holding activity
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	1998/06/01	Mexico	MXN	1,374,595	1.81	Sale of brand-name IT products
25	061	XPLSH		2016/05/17	China	CNY	2,000	4.33	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
26	062	AAF	Acer Africa (Proprietary) Limited	1994/11/29	South Africa	ZAR	368	1.67	Marketing and support services
27	064	ABH	Acer BeingWare Holding Inc.	2016/05/17	Taiwan	TWD	1,303,085	1.00	Investment and holding activity
28	065	ALT	Altos Computing Inc.	2016/09/20	Taiwan	TWD	83,730	1.00	High performance computing, cloud computing, software-defined storage, and IT solution
29	066	ACCN	Acer Computer (Shanghai) Ltd.	2005/10/31	China	CNY	16,168	4.33	Repair and maintenance of IT products
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	2015/07/21	China	CNY	31,325	4.33	Design, development, sales, and advisory of computer software and hardware
31	068	ACTI	Acer Cloud Technology Inc.	2012/01/12	U.S.A.	USD	6,155	30.74	Investment and holding activity
32	069	SMA	Servex (Malaysia) Sdn Bhd	1991/06/25	Malaysia	MYR	4,748	6.69	Sale of computers and communication products
33	070	AMS	Acer Market Services Limited	1992/12/08	H.K.	HKD	1,218,717	3.93	Investment and holding activity
34	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	2013/03/20	Turkey	TRY	100	1.04	Marketing of brand-name IT products
35	077	ENP	Acer Energy Pack Inc.	2022/01/21	Taiwan	TWD	20,000	1.00	Manufacturing of lithium battery module
36	085	ALTH	Altos Computing (Thailand) Co., Ltd.	2022/01/10	Thailand	THB	613	0.89	High performance computing, cloud computing, software-defined storage, and IT solution
37	086	ACCCQ	Acer (Chongqing) Ltd.	2010/11/09	China	CNY	991,050	4.33	Sale of brand-name IT products
38	087	SEB	Sertec (Beijing) Ltd.	2017/04/14	China	CNY	1,000	4.33	Repair and maintenance of IT products
39	089	AAH	Acer American Holdings Corp.	2007/10/15	U.S.A.	USD	-	30.74	Investment and holding activity
40	091	ACTUS	Acer Cloud Technology (US), Inc.	2016/08/15	U.S.A.	USD	2	30.74	Cloud technology service and research, development, and design of IoT platform
41	095	ABST	Acer Being Signage Inc.	2017/05/17	Taiwan	TWD	25,000	1.00	Technical service and research of aBeing cloud digital content management
42	096	ABSG	Acer Being Signage GmbH	2016/12/15	Germany	EUR	6,029	33.93	Technical service and research of aBeing cloud digital content management
43	097	AVN	Acer-Vietnam Co., Ltd.	2000/01/10	Vietnam	VND	76,283,170	0.00	Sale of brand-name IT products
44	104	AOI	AOPEN INC.	1996/12/01	Taiwan	TWD	784,480	1.00	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products
45	107	AOE	AOPEN Computer B.V.	1997/12/01	Netherlands	EUR	18	33.93	Sale of computer, apparatus system, and peripheral equipment
46	113	ENNL	Enfinitec B.V.	2021/01/25	Netherlands	EUR	-	33.93	Repair and management of IT products
47	114	ENIT	Enfinitec Italy S.R.L.	2021/07/16	Italy	EUR	10	33.93	Repair and management of IT products
48	115	ENCH	Enfinitec Switzerland AG	1997/12/01	Switzerland	CHF	50	36.53	Repair and management of IT products
49	120	AAC	Acer America Corporation	1984/05/04	U.S.A.	USD	42,292	30.74	Sale of brand-name IT products
50	121	ACG	ACER Computer GmbH	1987/05/17	Germany	EUR	14,561	33.93	Sale of brand-name IT products

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
51	122	SAL	Bluechip Infotech Pty Ltd	1996/12/13	Australia	AUD	9,555	20.94	Sale of computer peripherals and software system
52	123	AUK	Acer U.K. Limited	1988/05/09	U.K.	GBP	9,072	39.13	Sale of brand-name IT products
53	124	ACF	Acer Computer France S.A.S.U.	1987/09/03	France	EUR	13,609	33.93	Sale of brand-name IT products
54	128	ACH	Acer Computer B.V.	1988/05/09	Netherlands	EUR	2,612	33.93	Sale of brand-name IT products
55	129	AOA	AOPEN America Inc.	1997/12/01	U.S.A.	USD	15,000	30.74	Sale of computer, apparatus system, and peripheral equipment
56	134	CCI	AcerSoftCapital Incorporated	1997/11/11	Taiwan	TWD	8,498	1.00	Investment and holding activity
57	137	ASDI	Aspire Service & Development Inc.	1997/10/13	Taiwan	TWD	50,000	1.00	Hotel management service
58	138	ABC	Acer Being Communication Inc.	2014/12/16	Taiwan	TWD	25,000	1.00	Software design service
59	139	AIT	Acer Italy S.R.L.	1996/02/19	Italy	EUR	802	33.93	Sale of brand-name IT products
60	141	AOSV	Aopen SmartVision Incorporated	2002/02/01	Taiwan	TWD	15,000	1.00	Sale of computer, apparatus system, and peripheral equipment
61	144	BLI	Bluechip Infotech Incorporated	2020/05/11	Taiwan	TWD	1,000	1.00	Sale of computer peripherals and software system
62	145	ACD	Acer Denmark A/S	1991/10/01	Denmark	DKK	1,000	4.55	Marketing of brand-name IT products
63	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	1997/12/03	China	CNY	24,659	4.33	Sale of commercial and cloud application software and technical services
64	147	ATBD	ACER TECHNOLOGY AND BUSINESS DEVELOPMENT PTE. LTD.	2023/04/10	Singapore	SGD	-	23.28	Real estate asset holding and management services
65	149	EBSH	Acer e-Enabling Service Business (Shang-Hai) Ltd.	2023/06/06	China	CNY	10,667	4.33	Software sales and information consulting services
66	151	BLNZ	BLUECHIP GROUP (NZ) LIMITED	2021/07/26	New Zealand	NZD	3,600	19.42	Investment and holding activity
67	152	BLINZ	BLUECHIP INFOTECH NEW ZEALAND LIMITED	2021/01/12	New Zealand	NZD	-	19.42	Sales of peripheral computer software
68	156	MPS	Acer Mobile Power System Inc.	2015/07/31	Taiwan	TWD	103,503	1.00	Research, development, and sale of batteries
69	160	ACV	ACER AUSTRIA GMBH	1992/07/30	Austria	EUR	218	33.93	Marketing of brand-name IT products
70	161	MIA	Mia Telecomms Pty Limited	2022/08/01	Australia	AUD	665	20.94	Sale of computer peripherals and software system
71	167	AMED	Acer Medical Inc.	2018/04/25	Taiwan	TWD	152,260	1.00	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange
72	168	AEH	Acer European Holdings SA	1996/12/28	Switzerland	EUR	131	33.93	Investment and holding activity
73	171	GCN	GadgeTek (Shanghai) Limited	2019/07/03	China	CNY	3,529	4.33	Sale of peripheral 3C products
74	172	AOTH	AOPEN Technology Inc.	1999/05/01	B.V.I.	USD	50	30.74	Sale of computer, apparatus system, and peripheral equipment
75	173	PBT	Pecer Bio-medical Technology Incorporated	2020/09/17	Taiwan	TWD	1,000	1.00	Sale of health supplements and biotech service

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
76	174	ACN	Acer Computer Norway AS	1994/11/22	Norway	NOK	6,531	3.02	Marketing and support services
77	177	EDC	Acer e-Enabling Data Center Incorporated	2017/12/31	Taiwan	TWD	444,624	1.00	Uninterrupted operation and IT operation outsourcing services
78	178	AAM	Acer Asset Management Incorporated	2021/08/31	Taiwan	TWD	1,077,189	1.00	Property held and related management business
79	180	AIB	Acer Computer Iberica, S.A.	1995/03/16	Spain	EUR	855	33.93	Sale of brand-name IT products
80	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	1999/04/26	China	CNY	828	4.33	Sale of brand-name IT products
81	182	AIN	PT. Acer Indonesia	1999/07/08	Indonesia	IDR	2,077,485	0.00	Sale of brand-name IT products
82	183	ABI	Acer Healthcare Inc.	2022/01/27	Taiwan	TWD	10,000	1.00	Sale of beverage and other related products
83	184	WKS	Winking Studios Limited	2005/12/15	Cayman Islands	USD	8,615	30.74	Investment and holding activity
84	186	SHW	Shanghai Wishing Entertainment Limited	2007/12/20	China	CNY	20,668	4.33	Management of collaborative art design and IP licensing in Mainland China
85	187	WKNI	Nanjing Winking Entertainment Ltd	2009/08/18	China	CNY	19,960	4.33	Art outsourcing
86	188	WKHK	Winking Art Limited	2017/08/02	H.K.	USD	33	30.74	Art outsourcing
87	189	HSN	HighPoint Service Network Sdn Bhd	1999/07/16	Malaysia	MYR	1,000	6.69	After-sales and value-added services of IT products
88	192	AIL	Acer India Private Limited	1999/09/09	India	INR	78,804	0.37	Sale of brand-name IT products
89	193	ADSC	Acer Digital Service Co.	1999/10/05	Taiwan	TWD	662,149	1.00	Investment and holding activity
90	194	AFN	Acer Finland Oy	1996/10/25	Finland	EUR	8	33.93	Marketing and support services
91	197	AHN	Acer Europe B. V.	1996/11/15	Netherlands	EUR	3,321	33.93	Investment and holding activity
92	199	ACW	Acer Sweden AB	1996/05/21	Sweden	SEK	100	3.05	Marketing of brand-name IT products
93	200	SER	Sertec 360 SA	2014/08/26	Switzerland	EUR	82	33.93	Repair and maintenance of IT products
94	203	CPY	CPYou B.V.	2020/02/20	Netherlands	EUR	1	33.93	Sale of brand-name IT products
95	206	WKTW	Winking Entertainment Corporation	2016/07/21	Taiwan	TWD	182,361	1.00	IP licensing, design, research and development of original computer games
96	207	WKSK	Winking Skywalker Entertainment Limited	2010/02/01	H.K.	USD	3,000	30.74	IP licensing and Game distribution on international platform
97	208	WKSG	Winking Art Pte. Ltd	2021/01/04	Singapore	SGD	1,377	23.28	Art outsourcing
98	209	WKSH	Shanghai Winking Entertainment Limited	2004/01/13	China	CNY	100,201	4.33	Holding activity, Art outsourcing and Game development headquarter
99	215	ENDE	Enfinitec Germany GmbH	2023/05/17	Germany	EUR	25	33.93	Repair and management of IT products
100	216	ENFR	Enfinitec France	2023/06/26	France	EUR	1,738	33.93	Repair and management of IT products
101	217	ENPL	Enfinitec Poland Sp. z o.o.	2023/07/05	Poland	PLN	5	7.81	Repair and management of IT products
102	219	ENCZ	Enfinitec Czech Republic s.r.o	2023/02/02	Czech	CZK	3	1.37	Repair and management of IT products
103	223	AST	Acer Synergy Tech Corp.	2017/09/13	Taiwan	TWD	222,000	1.00	System integration service
104	224	ASTS	Shanghai AST Technology Service Ltd.	2018/06/15	China	CNY	4,400	4.33	System integration service

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
105	225	ASM	Acer Synergy Manpower Corp.	2019/11/20	Taiwan	TWD	100,000	1.00	Human resources and project service
106	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	2021/06/07	U.S.A.	USD	500	30.74	System integration service
107	227	ACLAH	Boardwalk Capital Holdings Limited	2000/06/26	B.V.I.	USD	1,373,071	30.74	Investment and holding activity
108	228	ACLAN	ACLA Holdings North, LLC	1999/11/10	U.S.A.	USD	-	30.74	Investment and holding activity
109	229	ACLAS	ACLA Holding South, LLC	1999/11/10	U.S.A.	USD	-	30.74	Investment and holding activity
110	230	ACLAE	ACLA Holding East, LLC	1999/11/10	U.S.A.	USD	-	30.74	Investment and holding activity
111	231	ACLAW	ACLA Holding West, LLC	1999/11/10	U.S.A.	USD	-	30.74	Investment and holding activity
112	232	ATB	AGP TECNOLOGIA EM INFORMATICA DO BRASIL LTDA.	2009/08/06	Brazil	BRL	249,467	6.33	Sale of brand-name IT products
113	237	SPE	Shine Passion Engineering Co., Ltd	2012/01/11	Taiwan	TWD	118,923	1.00	Factory plant engineering planning and construction
114	238	ASMA	Acer Synergy Manpower America Corporation	2023/09/05	U.S.A.	USD	500	30.74	Human resources services
115	244	ACSI	Acer Cyber Security Incorporated	2000/05/29	Taiwan	TWD	222,046	1.00	Cyber security service
116	245	ACAD	ACSI Cyber Security Academy Inc.	2021/08/12	Taiwan	TWD	10,000	1.00	Cyber security training
117	249	AOC	AOPEN International (Shanghai) Co., Ltd	2000/07/01	China	CNY	39,244	4.33	Sale of computer, apparatus system, and peripheral equipment
118	251	AGT	Acer Gadget Inc.	1986/03/27	Taiwan	TWD	618,600	1.00	Research, design and sale of smart handheld products and peripheral 3C products
119	257	ARU	Acer Marketing Services LLC	2009/07/01	Russia	RUB	20,000	0.34	Marketing of brand-name IT products
120	259	AGU	AGP Insurance (Guernsey) Limited	2009/10/01	Guernsey	EUR	5,000	33.93	Insurance captive
121	260	DTP	Dingo Tech Pty Ltd	2021/02/17	Australia	AUD	-	20.94	Investment and holding activity
122	261	DNA	Digital Networks Australia Pty Ltd	2020/03/28	Australia	AUD	-	20.94	Sales of peripheral computer software
123	262	IGP	Ingeniq Pty Ltd	2014/10/21	Australia	AUD	-	20.94	Sales of peripheral computer software
124	265	BJAC	Beijing Altos Computing Ltd.	2018/03/01	China	CNY	4,400	4.33	High performance computing, cloud computing, software-defined storage, and IT solution
125	269	AOI	AOPEN Japan Inc.	2000/10/01	Japan	JPY	10,000	0.22	Sale of computer, apparatus system, and peripheral equipment
126	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	2001/04/01	China	CNY	104,954	4.33	Manufacture and sale of computer parts and components
127	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	2013/11/01	Australia	AUD	150	20.94	Sale of computer, apparatus system, and peripheral equipment
128	277	AOAU	AOPEN AUSTRALIA & NEW ZEALAND PTY LTD	2013/11/01	Australia	AUD	-	20.94	Sale of computer, apparatus system, and peripheral equipment
129	287	AGM	Acer Gaming Inc.	2020/07/31	Taiwan	TWD	350,000	1.00	Agency of video game console and peripherals
130	288	DZH	DropZone Holding Limited	2001/07/09	Cayman Islands	USD	100	30.74	Investment and holding activity

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
131	289	DZL	DropZone (Hong Kong) Limited	2019/12/09	H.K.	USD	30	30.74	Operation and maintenance of eSports platform
132	293	AAPH	Acer Asia Pacific Sdn Bhd	2007/11/14	Malaysia	USD	1,000	30.74	Sale of brand-name IT products
133	299	AGMPH	Acer Global Merchandise Philippines Inc.	2022/04/01	Philippines	PHP	15,359	0.55	Agency of video game console and peripherals
134	310	AEG	Acer Europe SA	2002/04/01	Switzerland	EUR	1,164	33.93	Sale of brand-name IT products
135	313	ACZ	Acer Czech Republic s.r.o.	2002/04/08	Czech	CZK	2,000	1.37	Marketing, repair and maintenance of brand-name IT products
136	330	PAL	Protrade Asia Limited	2017/01/23	B.V.I.	USD	700	30.74	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
137	331	DCL	Dakota Co., Ltd.	2009/08/21	Samoa	USD	650	30.74	Investment and holding activity
138	332	CRI	Cascadia Resources Inc.	2011/10/14	U.S.A.	USD	2,000	30.74	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
139	333	PAM	Protrade Applied Materials Corp.	2001/08/07	Taiwan	TWD	229,347	1.00	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
140	334	PST	Protrade Shanghai Trading Co., Ltd.	2006/03/10	China	CNY	5,068	4.33	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
141	335	PRV	Protrade Resources Vietnam Company Limited	2020/08/20	Vietnam	VND	11,676,000	0.00	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
142	336	APHI	Acer Philippines, Inc.	2003/01/01	Philippines	PHP	13,510	0.55	Sale of brand-name IT products
143	337	HSNV	Highpoint Service Network Vietnam Company Limited	2020/12/14	Vietnam	VND	3,439,500	0.00	After-sales and value-added services of IT products
144	338	HPA	Highpoint Australia Pty Ltd	2003/02/01	Australia	AUD	500	20.94	After-sales and value-added services of IT products
145	345	HSNI	PT HSN Tech Indonesia	2018/11/15	Indonesia	IDR	14,900,000	0.00	After-sales and value-added services of IT products
146	346	ALIN	Altos Computing (India) Private Limited	2018/06/21	India	INR	16,250	0.37	Sale of brand-name IT products
147	347	HSNP	Highpoint Services Network Philippines, Inc.	2018/08/28	Philippines	PHP	10,600	0.55	After-sales and value-added services of IT products
148	348	HSNT	Highpoint Service Network (Thailand) Co., Ltd	2018/11/07	Thailand	THB	2,450	0.89	After-sales and value-added services of IT products
149	349	HSNC	Highpoint Service Network Corporation	2018/09/14	Taiwan	TWD	162,100	1.00	After-sales and value-added services of IT products
150	353	SFT	Smart Frequency Technology Inc.	2018/08/21	Taiwan	TWD	240,000	1.00	Research, development, manufacturing, and sales of technology application products
151	400	GWJ	Gateway, Inc.	1991/01/14	U.S.A.	USD	-	30.74	Investment and holding activity

1.4 A company assumed to be controlled, subordinated or there would be same shareholders with the parent company:

None

1.5 The business and operating scope of the Company's affiliates:

Acer primarily engages in marketing and sale of brand-name IT products, as well as providing electronic information services to its clients. The Company aims at the integrated applications of Internet of Things (IoT) and service-oriented technology in the future to provide more products and integrated applications combining software, hardware and service for consumer and commercial markets.

1.6 Operational Highlights of Acer's Subsidiaries

As of December 31, 2023
Unit: NT\$ thousands, except EPS (NT\$)

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) From Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
0	001	AI	Acer Incorporated	30,478,538	151,688,925	76,962,401	74,726,524	150,992,910	3,523,710	4,931,944	1.64
1	011	APX	Asplex Sp. z o.o.	781	700,241	249,284	450,957	1,755,768	41,269	20,929	10,464.49
2	013	API	Acerpure Inc.	250,000	433,370	117,691	315,679	266,043	(40,021)	18,912	1.26
3	014	WLII	Weblink International Inc.	815,814	5,417,046	3,275,783	2,141,263	17,807,091	426,097	412,703	5.06
4	017	ASC	Acer Service Corporation	0	564,963	650,927	(85,963)	558,864	11,428	11,126	11,125.61
5	022	AUC	Acer Japan Corp.	43,583	942,262	1,527,142	(584,880)	1,511,546	(12,084)	(20,149)	(881.35)
6	023	AEB	Acer e-Enabling Service Business Inc.	414,490	5,613,755	3,651,263	1,962,492	7,528,830	607,902	501,328	12.10
7	024	APL	Acer Poland sp. z o.o.	781	60,947	17,312	43,635	118,126	5,536	4,467	2,233.74
8	028	XPL	XPLOVA Inc.	23,098	14,606	310	14,296	0	(56)	284	0.12
9	030	ACA	Acer Computer Australia Pty. Limited	1,408,955	3,275,896	2,909,433	366,463	6,012,626	108,594	48,074	0.71
10	034	AMI	PT. Acer Manufacturing Indonesia	4,591	1,017,521	867,569	149,952	3,841,167	56,406	39,984	159.94
11	035	GCL	Great Connection LTD.	1,180	4,140	250	3,890	88	1	2	0.01
12	041	ACNZ	Acer Computer New Zealand limited	236,531	276,734	130,646	146,088	477,464	2,297	3,021	0.25
13	042	ATH	Acer Computer Co., Ltd.	200,276	1,993,507	1,197,810	795,697	4,158,434	27,039	17,955	0.83
14	043	AFE	Acer Computer (Far East) Limited	1,040,383	1,119,317	1,307,759	(188,442)	2,518,926	(36,187)	(37,974)	(0.26)
15	046	ITS	Acer ITS Inc.	157,500	888,047	798,121	89,926	335,784	(36,666)	(42,925)	(1.67)
16	047	WELL	Wellife Inc.	10,000	169,841	140,520	29,321	736,697	21,393	16,881	16.88
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	29,000	(129,945)	37	(129,982)	4	(86)	(21,246)	(7.33)
18	049	AIC	Acer AI Cloud Inc.	29,000	61,255	35,721	25,534	78,183	(2,702)	(2,764)	(0.95)
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	92,775	797,945	560,175	237,770	2,008,750	6,208	11,561	2.90
20	054	APDI	Acer Property Development Inc.	29,577	143,221	103,991	39,230	17,723	3,758	1,353	0.46
21	056	ASBZ	STARVR CORPORATION	6,602	35,038	23,680	11,358	87	(257)	(92)	(0.14)
22	057	ASSB	Acer Sales And Services Sdn Bhd	207,193	2,064,914	666,960	1,397,955	2,920,705	3,482	49,426	1.60
23	058	AHI	Acer Holdings International, Incorporated	5,875,163	15,753,634	3,626	15,750,008	0	(2,745)	(479,802)	(2.51)
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	2,490,079	1,143,090	754,976	388,114	2,065,368	31,420	8,429	0.01
25	061	XPLSH	0	8,660	4,981	0	4,981	0	(54)	(42)	N.A.
26	062	AAF	Acer Africa (Proprietary) Limited	616	132,113	29,505	102,608	124,642	1,369	6,585	0.18
27	064	ABH	Acer BeingWare Holding Inc.	1,303,085	1,959,117	120	1,958,997	0	(159)	247,299	1.90
28	065	ALT	Altos Computing Inc.	83,730	449,651	362,588	87,063	894,167	(12,463)	6,733	0.80
29	066	ACCN	Acer Computer (Shanghai) Ltd.	69,988	5,294,656	146,244	5,148,412	491,827	37,902	65,887	N.A.
30	067	ACTCO	Acer Cloud Technology(Chongqing) Ltd.	135,602	3,604	(3,318)	6,921	0	(8)	(13,545)	N.A.

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) From Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
31	068	ACTI	Acer Cloud Technology Inc.	189,177	244,161	1,817	242,344	0	(1,247)	(23,493)	(0.00)
32	069	SMA	Servex (Malaysia) Sdn Bhd	31,765	1,098,202	342,626	755,576	3,619,635	43,299	36,654	7.72
33	070	AMS	Acer Market Services Limited	4,795,144	5,013,457	1,331	5,012,126	0	(5,615)	(1,024,960)	(0.84)
34	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	104	9,271	1,199	8,073	19,111	983	4,254	4,253.67
35	077	ENP	Acer Energy Pack Inc.	20,000	24,241	18,769	5,472	25,548	(3,133)	(3,255)	(1.28)
36	085	ALTH	Altos Computing (Thailand) Co., Ltd.	547	8,031	2,188	5,843	17,049	717	576	23.50
37	086	ACCQ	Acer (Chongqing) Ltd.	4,290,130	8,309,362	3,620,572	4,688,790	11,632,247	(824,211)	(722,126)	N.A.
38	087	SEB	Sertec (Beijing) Ltd.	4,329	9,053	41	9,012	0	(3)	102	N.A.
39	089	AAH	Acer American Holdings Corp.	0	30,183,171	0	30,183,171	0	(6)	519,698	577,442.00
40	091	ACTUS	Acer Cloud Technology (US), Inc.	61	229	0	229	0	(77)	(75)	(0.02)
41	095	ABST	Acer Being Signage Inc.	25,000	(28,062)	100,506	(128,569)	0	(34)	(6,926)	(2.77)
42	096	ABSG	Acer Being Signage GmbH	204,554	49,503	78,356	(28,853)	48,961	(3,847)	(5,627)	(0.93)
43	097	AVN	Acer Vietnam Co., Ltd.	96,065	245,542	108,909	136,633	388,896	39,943	37,394	N.A.
44	104	AOI	AOPEN INC.	784,480	2,918,064	1,507,484	1,410,580	5,297,520	226,098	232,207	3.14
45	107	AOE	AOPEN Computer B.V.	616	154,407	166,902	(12,494)	426,725	4,719	4,513	112,815.24
46	113	ENNL	Enfinitec B.V.	3	760,184	823,422	(63,238)	534,305	(133,652)	(130,899)	(1,308,993.12)
47	114	ENIT	Enfinitec Italy S.R.L.	339	70,261	45,283	24,978	42,751	1,705	1,241	1,240,715.67
48	115	ENCH	Enfinitec Switzerland AG	1,826	155,937	97,414	58,523	1,344,507	9,467	7,972	159,437.37
49	120	AAC	Acer America Corporation	1,299,856	25,635,013	12,755,109	12,879,905	50,513,027	429,956	334,485	107.90
50	121	ACG	ACER Computer GmbH	494,017	7,224,001	4,490,307	2,733,693	14,637,563	91,105	72,823	N.A.
51	122	SAL	Bluechip Infotech Pty Ltd	200,059	1,380,479	981,603	398,876	4,176,014	78,874	9,385	1.64
52	123	AUK	Acer U.K. Limited	354,968	3,439,983	2,066,825	1,373,159	5,796,984	35,168	30,454	3.36
53	124	ACF	Acer Computer France S.A.S.U.	461,728	3,277,288	1,368,016	1,909,272	5,849,494	36,316	35,109	13.47
54	128	ACH	Acer Computer B.V.	88,630	2,039,004	1,118,780	920,224	3,115,119	19,518	29,342	112.33
55	129	AOA	AOPEN America Inc.	461,025	40,284	228,636	(188,352)	116,231	(20,557)	(20,582)	(1.37)
56	134	CCI	Acer SoftCapital Incorporated	8,498	2,849,733	30	2,849,703	0	(4,330)	116,665	137.28
57	137	ASDI	Aspire Service & Development Inc.	50,000	730,162	613,057	117,104	284,711	64,285	53,838	10.77
58	138	ABC	Acer Being Communication Inc.	25,000	21,273	47,000	(25,727)	14,899	(1,172)	(1,667)	(0.67)
59	139	AIT	Acer Italy S.R.L.	27,211	3,832,554	2,753,423	1,079,131	4,449,681	43,325	35,967	N.A.
60	141	AOSV	Aopen SmartVision Incorporated	15,000	13,677	775	12,902	72	(779)	(672)	(0.45)
61	144	BLI	Bluechip Infotech Incorporated	1,000	10,835	11,215	(380)	17,365	1,957	2,274	22.74
62	145	ACD	Acer Denmark A/S	4,551	70,452	34,439	36,014	75,706	2,076	2,534	25,336.53
63	146	TWPBI	Acer Third Wave Software (Beijing) Co. Ltd	0	116,995	122,712	(5,717)	218,037	3,533	1,641	N.A.

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) From Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
64	147	ATBD	ACER TECHNOLOGY AND BUSINESS DEVELOPMENT PTE. LTD.	0	32,574	33,151	(578)	0	(17)	(585)	N.A.
65	149	EBSH	Acer e-Enabling Service Business (Shang-Hai) Ltd.	46,177	58,741	13,006	45,734	29,491	(1,048)	(458)	N.A.
66	151	BLNZ	BLUECHIP GROUP (NZ) LIMITED	69,917	75,476	(121)	75,597	0	(233)	844	0.23
67	152	BLINZ	BLUECHIP INFOTECH NEW ZEALAND LIMITED	0	86,376	68,882	17,493	512,354	1,019	5,258	1.75
68	156	MPS	Acer Mobile Power System Inc.	103,502	131,056	46,833	84,223	284,290	2,277	2,496	0.24
69	160	ACV	ACER AUSTRIA GMBH	7,397	39,046	10,325	28,721	23,878	620	860	N.A.
70	161	MIA	Mia Telecomms Pty Limited	13,931	9,933	(0)	9,933	4,374	(8,697)	(8,648)	(12.02)
71	167	AMED	Acer Medical Inc.	152,260	259,427	37,490	221,937	27,448	(41,160)	(38,181)	(2.51)
72	168	AEH	Acer European Holdings SA	4,453	19,754,444	223,487	19,530,957	298,931	12,929	(366,405)	(2,492.55)
73	171	GCN	Gadgetek (Shanghai) Limited	15,275	147,998	83,233	64,766	433,082	24,505	19,710	N.A.
74	172	AOTH	AOPEN Technology Inc.	1,537	314,177	0	314,177	0	(63)	2,584	51.67
75	173	PBT	Pecer Bio-medical Technology Incorporated	1,000	3,010	1,550	1,460	28,120	532	441	4.41
76	174	ACN	Acer Computer Norway AS	19,733	65,627	29,176	36,451	125,201	2,397	1,527	233.74
77	177	EDC	Acer e-Enabling Data Center Incorporated	444,624	1,535,276	935,926	599,350	874,695	140,916	116,672	2.62
78	178	AAM	Acer Asset Management Incorporated	1,077,189	1,073,762	6,893	1,066,869	31,200	(8,483)	(8,148)	(0.08)
79	180	AIB	Acer Computer Iberica, S.A.	29,024	2,105,943	1,133,560	972,383	3,738,838	(1,168)	1,599	11.23
80	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	3,583	175,951	83	175,868	0	(74)	10,321	N.A.
81	182	AIN	PT. Acer Indonesia	4,147	2,894,598	1,738,734	1,155,865	8,464,077	134,115	114,183	380.61
82	183	ABI	Acer Healthcare Inc.	10,000	9,547	7,060	2,487	15,272	(12,581)	(12,663)	(12.66)
83	184	WKS	Winking Studios Limited	262,477	619,508	13,969	605,539	0	(8,865)	48,145	0.2
84	186	SHW	Shanghai Wishing Entertainment Limited	89,469	18,795	1,388	17,407	72,575	1,204	1,409	N.A.
85	187	WKNI	Nanjing Winking Entertainment Ltd	86,403	422,284	262,156	160,128	614,298	(62,522)	(38,472)	N.A.
86	188	WKHK	Winking Art Limited	1,027	97,384	4,665	92,720	108,828	9,598	9,698	9,697,966.22
87	189	HSN	HighPoint Service Network Sdn Bhd	6,690	160,944	36,499	124,446	459,893	32,167	24,790	24.79
88	192	AIL	Acer India Private Limited	29,107	8,804,444	8,326,864	477,581	17,737,452	(180,158)	(28,032)	(0.36)
89	193	ADSC	Acer Digital Service Co.	662,149	2,097,115	20,257	2,076,858	0	(225)	81,371	1.23
90	194	AFN	Acer Finland Oy	285	46,768	5,282	41,486	17,420	801	628	12,561.75
91	197	AHN	Acer Europe B.V.	112,671	11,809,201	30,788	11,778,413	0	(18,607)	53,892	324.57
92	199	ACW	Acer Sweden AB	305	49,472	10,688	38,783	26,197	760	1,255	1,255.19
93	200	SER	Sertec 360 SA	2,792	368,215	211,581	156,634	1,801,531	96,333	76,124	76,123.94
94	203	CPY	CPYou B.V.	34	670,986	452,476	218,510	1,185,266	(900)	(12,369)	(12,369.26)

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
95	206	WKTW	Winking Entertainment Corporation	182,361	172,190	61,800	110,390	196,104	43,614	44,830	3.66
96	207	WKSJ	Winking Skywalker Entertainment Limited	92,205	3,317	1,869	1,448	2,799	895	934	0.31
97	208	WKSJ	Winking Art Pre. Ltd	32,059	90,315	48,690	41,625	122,521	10,377	8,494	4.25
98	209	WKSJ	Shanghai Winking Entertainment Limited	433,759	449,576	169,563	280,013	484,362	40,455	3,104	N.A.
99	215	ENDE	Enfinitec Germany GmbH	848	152,613	149,709	2,903	74,400	3,131	2,085	20,845.26
100	216	ENFR	Enfinitec France	58,969	304,849	202,149	102,700	63,764	2,414	1,374	13,739.18
101	217	ENPL	Enfinitec Poland Sp. z o.o.	39	244,681	112,563	132,119	120,888	6,486	4,949	989.74
102	219	EN CZ	Enfinitec Czech Republic s.r.o	3	39,230	11,382	27,849	18,114	665	518	517,893.03
103	223	AST	Acer Synergy Tech Corp.	222,000	1,168,646	278,118	890,528	757,971	26,412	64,212	3.07
104	224	ASTS	Shanghai AST Technology Service Ltd.	19,047	29,287	157	29,130	2,769	(234)	114	N.A.
105	225	ASM	Acer Synergy Manpower Corp.	100,000	217,669	80,612	137,057	339,936	10,168	8,589	1.41
106	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	15,368	44,211	11,024	33,187	127,109	11,387	9,060	18,119.98
107	227	ACLAH	Boardwalk Capital Holdings Limited	42,201,348	31,351,963	281,923	31,070,041	0	(150)	(146,287)	(0.11)
108	228	ACLAN	ACLA Holdings North, LLC	0	0	0	0	0	0	0	N.A.
109	229	ACLAS	ACLA Holding South, LLC	0	0	0	0	0	0	0	N.A.
110	230	ACLAE	ACLA Holding East, LLC	0	0	0	0	0	0	0	N.A.
111	231	ACLAW	ACLA Holding West, LLC	0	0	0	0	0	0	0	N.A.
112	232	ATB	AGP TECNOLOGIA EM INFORMATICA DO BRASIL LTDA.	1,578,556	4,774,079	4,380,825	393,254	9,317,217	(686,546)	(691,698)	(2.77)
113	237	SPE	Shine Passion Engineering Co., Ltd	118,923	473,101	260,305	212,795	650,966	92,656	75,372	21.70
114	238	ASMA	Acer Synergy Manpower America Corporation	15,368	15,361	115	15,246	0	(123)	(123)	(246.45)
115	244	ACSI	Acer Cyber Security Incorporated	222,045	1,707,812	413,572	1,294,240	1,031,866	77,501	190,587	8.66
116	245	ACAD	ACSI Cyber Security Academy Inc.	10,000	12,188	7,196	4,992	15,288	(918)	(930)	(0.93)
117	249	AOC	AOPEN International (Shanghai) Co., Ltd	169,881	13,095	5,124	7,972	74,363	(4,701)	(4,547)	N.A.
118	251	AGT	Acer Gadget Inc.	618,600	1,777,485	503,889	1,273,596	1,652,784	84,791	121,263	1.98
119	257	ARU	Acer Marketing Services LLC	6,854	69,134	161,662	(92,527)	128,244	(48,416)	(51,659)	N.A.
120	259	AGU	AGP Insurance (Guernsey) Limited	169,642	1,232,932	81,821	1,151,112	73,546	54,549	90,285	18.06
121	260	DTP	Dingo Tech Pty Ltd	2	6	4	2	0	0	0	0.00
122	261	DNA	Digital Networks Australia Pty Ltd	4	13,488	2,886	10,603	111	79	79	394.82
123	262	IGP	Ingeniq Pty Ltd	2	7,520	2,438	5,082	7,190	(39)	(115)	(1,146.90)
124	265	BIAC	Beijing Altos Computing Ltd.	19,047	28,157	0	28,157	18,068	338	1,511	N.A.
125	269	AOI	AOPEN Japan Inc.	2,179	43,229	15,894	27,334	40,655	948	711	3,553.28

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
126	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	454,332	351,566	49,340	302,226	19,125	745	7,193	N.A.
127	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	3,141	2,643	(1,894)	4,538	0	(2)	(11,012)	(73.41)
128	277	AOAU	AOPEN AUSTRALIA & NEW ZEALAND PTY LTD	2	39,314	36,924	2,389	59,420	(6,746)	(11,010)	(110,097.12)
129	287	AGM	Acer Gaming Inc.	350,000	1,831,523	651,142	1,180,381	3,746,542	41,945	59,333	1.70
130	288	DZH	DropZone Holding Limited	3,074	853	0	853	0	0	0	0.00
131	289	DZL	DropZone (Hong Kong) Limited	922	855	60	795	0	0	0	0.00
132	293	AAPH	Acer Asia Pacific Sdn Bhd	30,735	34,101	71	34,030	0	(168)	1,009	0.30
133	299	AGMPH	Acer Global Merchandise Philippines Inc.	8,523	313,091	281,007	32,084	1,016,536	19,011	15,044	97.96
134	310	AEG	Acer Europe SA	39,480	20,366,280	16,301,654	4,064,625	55,148,090	257,139	(33,102)	(20,061.67)
135	313	ACZ	Acer Czech Republic s.r.o.	2,747	163,000	89,033	73,968	480,088	6,331	5,341	N.A.
136	330	PAL	Protrade Asia Limited	21,515	100,757	63,812	36,944	430,212	866	(2,210)	(31.57)
137	331	DCL	Dakota Co., Ltd.	19,978	98,489	148	98,341	0	(357)	(22,529)	(34.66)
138	332	CRI	Cascadia Resources Inc.	61,473	616,555	449,877	166,679	1,855,307	68,328	31,218	15.61
139	333	PAM	Protrade Applied Materials Corp.	229,347	872,430	374,214	498,216	2,418,148	27,629	15,361	0.67
140	334	PST	Protrade Shanghai Trading Co., Ltd.	21,939	276,165	180,512	95,652	778,860	(29,361)	(22,189)	(34.14)
141	335	PRV	Protrade Resources Vietnam Company Limited	14,704	12,804	18	12,787	37	(1,580)	(1,229)	(1,228,928.50)
142	336	APHI	Acer Philippines, Inc.	7,497	813,108	667,069	146,039	2,235,041	481	(11,964)	(88.56)
143	337	HSNV	Highpoint Service Network Vietnam Company Limited	4,331	13,434	7,831	5,603	68,190	1,547	1,549	N.A.
144	338	HPA	Highpoint Australia Pty Ltd	10,468	0	(25,252)	25,252	0	0	0	0.00
145	345	HSNI	PT HSN Tech Indonesia	29,743	56,389	10,244	46,145	28,553	1,977	2,761	2.79
146	346	ALIN	Altos Computing (India) Private Limited	6,002	346,703	316,689	30,014	638,641	19,926	14,884	0.92
147	347	HSNP	Highpoint Services Network Philippines, Inc.	5,882	79,126	35,872	43,255	138,733	16,449	11,519	108.67
148	348	HSNT	Highpoint Service Network (Thailand) Co., Ltd	2,190	58,989	42,876	16,113	92,473	9,626	7,613	310.75
149	349	HSNC	Highpoint Service Network Corporation	162,100	307,719	105,041	202,678	120,473	(26,449)	24,567	1.52
150	353	SFT	Smart Frequency Technology Inc.	240,000	138,827	47,723	91,105	0	0	0	0.00
151	400	GWI	Gateway, Inc.	0	24,482,013	300,743	24,181,271	5	1	368,374	3,683,742.04

1.7 Rosters of Directors, Supervisors, and Presidents of Acer's Subsidiaries

As of December 31, 2023

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
1	011	APX	Asplex Sp. z o.o.	Director	Emmanuel Fromont, Tai Chi Shih	2,000	100.00%
				President	-		
2	013	API	AcerPure Inc.	Director	Andrew Hou, Jason Chen, Meggy Chen	14,984,000	59.94%
				President	-		
				Supervisor	Sophia YL Chen		
3	014	WLII	Weblink International Inc.	Director	Jason Chen, Dave Lin, Meggy Chen	48,073,116	58.93%
				President	Dave Lin		
				Independent Director	Chester Chin, Rex Dang, Steven Shaw, Ji Wang		
				Director	Gregg Prendergast, Meggy Chen, Sophia YL Chen		
4	017	ASC	Acer Service Corporation	President	Gregg Prendergast	1,000	100.00%
				Director	Andrew Hou, Meggy Chen, Bob Sen		
5	022	AIC	Acer Japan Corp.	President	-	22,862	100.00%
				Supervisor	Sophia YL Chen, Ryan Yen		
				Director	Jason Chen, Maverick Shih, Meggy Chen		
6	023	AEB	Acer e-Enabling Service Business Inc.	President	Sandy Chou	26,304,000	63.46%
				Independent Director	Michael Wang, David Yeh, H.T. Chou, M.C. Tzeng		
				Director	Emmanuel Fromont, Tai Chi Shih, Lukasz Lopuszynski		
7	024	APL	Acer Poland sp. z o.o.	Director	-	2,000	100.00%
				President	Jason Chen, Meggy Chen, Lydia Wu		
8	028	XPL	Xplova Inc.	President	-	2,309,770	100.00%
				Supervisor	Sophia YL Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
9	030	ACA	Acer Computer Australia Pty. Limited	Director	Gaba Cheng, Sophia YL Chen, Andrew Hou	67,295,984	100.00%
				President	-		
10	034	AMI	PT. Acer Manufacturing Indonesia	Director	Meggy Chen, Parman Iskak	250,000	100.00%
				President	Andrew Hou,		
				Director	Dale Tsai, Edward Chen		
11	035	GCL	Great Connection LTD.	President	-	300,000	43.68%
				Director	Gaba Cheng, Sophia YL Chen, Andrew Hou		
12	041	ACNZ	Acer Computer New Zealand Limited	President	-	12,178,861	100.00%
				Director	Alan Chiang, Andrew Hou, Sophia YL Chen		
13	042	ATH	Acer Computer Co., Ltd.	President	Alan Chiang	21,507,750	100.00%
				Director	Jason Chen, Meggy Chen		
14	043	AFE	Acer Computer (Far East) Limited	President	Jason Chen	147,420,000	100.00%
				Director	Jason Chen, Meggy Chen, Andy HT Lin, Maverick Shih, Lydia Wu		
15	046	ITS	Acer ITS Inc.	President	Kenny Yu	15,750,000	100.00%
				Supervisor	Dick Tan, Vincent Chi		
				Director	Dave Lin, Meggy Chen, Lydia Wu		
16	047	WELL	Wellife Inc.	President	-	1,000,000	58.93%
				Supervisor	Sophia YL Chen		
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	Director	Maverick Shih, Jason Chen, Meggy Chen	2,900,000	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
18	049	AIC	Acer AI Cloud Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu, Mercury Kuo	2,900,000	100.00%
				President	-		
				Supervisor	Sophia YL Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	Director	Andrew Hou, Chia Li Shi, Sophia YL Chen	3,985,385	100.00%
				President	-		
20	054	APDI	Acer Property Development Inc.	Director	Andy HT Lin, Meggy Chen, Andrew Hou	2,957,742	59.94%
				President	-		
21	056	ASBZ	StarVR Corporation	Supervisor	Sophia YL Chen	441,050	66.81%
				Director	Emmanuel Marquez, Jerry Kao, Meggy Chen		
22	057	ASSB	Acer Sales and Services SDN BHD	President	-	30,969,332	100.00%
				Supervisor	Sophia YL Chen, Mats Göran Juhl		
23	058	AHI	Acer Holdings International, Incorporated	Director	Tek Young Kon, Chai Mee Leng, Andrew Hou	191,155,465	100.00%
				President	-		
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	Director	Meggy Chen, Jason Chen	1,373,840,957	99.95%
				President	-		
25	061	XPLSH	Xplover (Shanghai) Ltd.	Director	Juan Jose Cordova	N.A.	100.00%
				President	Germano Couy		
26	062	AAF	Acer Africa (Proprietary) Limited	Director	Meggy Chen, Lydia Wu, Mercury Kuo	36,800,000	100.00%
				President	Mercury Kuo		
27	064	ABH	Acer BeingWare Holding Inc.	Supervisor	Sophia YL Chen	130,308,478	100.00%
				Director	Emmanuel Fromont, Glenn Du toit, Tai Chi Shih		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
28	065	ALT	Altos Computing Inc.	Director	Andrew Hou, Jason Chen, Meggy Chen, Jerry Kao, Jeff Lee	6,580,717	78.59%
				President	Jackie Lee		
				Supervisor	Dick Tan, Vincent Chi		
29	066	ACCN	Acer Computer (Shanghai) Ltd.	Director	Jason Chen, Lydia Wu, Mercury Kuo	N.A.	100.00%
				President	Mercury Kuo,		
30	067	ACTCQ	Acer Cloud Technology (Chongqing) Ltd.	Supervisor	Sophia YL Chen	N.A.	100.00%
				Director	Maverick Shih, Jason Chen, Meggy Chen		
31	068	ACTI	Acer Cloud Technology Inc.	President	Ann Lin	32,000,000,001	100.00%
				Supervisor	Dick Tan		
32	069	SMA	Servex (Malaysia) Sdn Bhd	Director	Maverick Shih, Meggy Chen, Jason Chen	4,748,000	100.00%
				President	Maverick Shih		
33	070	AMS	Acer Market Services Limited	Director	Soon We Hong, Look Kein Kok	1,218,717,000	100.00%
				President	-		
34	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	Director	Meggy Chen	1,000	100.00%
				President	-		
35	077	ENP	Acer Energy Pack Inc.	Director	Emmanuel Fromont, Grigory Nizovsky, Tai Chi Shih, Savas Yalcin	1,900,000	95.00%
				President	-		
36	085	ALTH	Altos Computing (Thailand) Co., Ltd.	Supervisor	RC Chang, Alice Chang, Bryan Yeh	24,499	78.59%
				Director	Sophia YL Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
37	086	ACCQ	Acer (Chongqing) Ltd.	Director	Jason Chen, Lydia Wu, Mercury Kuo	N.A.	100.00%
				President	Mercury Kuo		
				Supervisor	Sophia YL Chen		
38	087	SEB	Sertec (Beijing) Ltd.	Director	Sophia YL Chen, Andrew Hou, Jim Liu	N.A.	100.00%
				President	Jim Liu		
				Supervisor	James Wung		
39	089	AAH	Acer American Holdings Corp.	Director	Gregg Prendergast, Jason Chen, Meggy Chen	900	100.00%
				President	-		
40	091	ACTUS	Acer Cloud Technology (US), Inc.	Director	Maverick Shih, Dick Tan	3,899,800	100.00%
				President	Wei Ding		
41	095	ABST	Acer Being Signage Inc.	Director	Maverick Shih, Jason Chen, Meggy Chen	2,500,000	100.00%
				President	-		
42	096	ABSG	Acer Being Signage GmbH	Supervisor	Dick Tan	6,029,000	100.00%
				Director	Wayne Ma		
43	097	AVN	Acer Vietnam Co., Ltd.	Director	Andrew Hou, Tony Vo, Sophia YL Chen	N.A.	100.00%
				President	Tony Vo		
44	104	AOI	AOPEN Inc.	Director	Victor Chien, Jason Chen, Maverick Shih	34,264,311	43.68%
				President	Ken Wang		
45	107	AOE	AOPEN Computer B.V.	Independent Director	Grace Lung, Steve Tso, Andrew Chang, TF Chen	40	43.68%
				Director	Jack Chou, Victor Chien, Ken Wang		
				President	Jack Chou		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
46	113	ENNL	Enfitec B.V.	Director	Tobi Musson, Bart Janssen, Tai Chi Shih, Emmanuel Pierre Marie Fromont	100	100.00%
				President	-		
47	114	ENIT	Enfitec Italy S.R.L.	Director	Emmanuel Pierre Marie Fromont, Tai Chi Shih, Tobi Musson	1	100.00%
				President	-		
48	115	ENCH	Enfitec Switzerland AG	Director	Emmanuel Fromont, Tai Chi Shih	50	100.00%
				President	-		
49	120	AAC	Acer America Corporation	Director	Jason Chen, Ming Wang, Gregg Prendergast	3,100,000	100.00%
				President	Gregg Prendergast		
50	121	ACG	ACER Computer GmbH	Director	Emmanuel Fromont, Tai Chi Shih, Wilfried Thom, Robert Perenz	N.A.	100.00%
				President	-		
51	122	SAL	Bluechip Infotech Pty Ltd	Director	Chiang Sheng Hsiung, Ronald Keith Jarvis, Jerry Lin, Yu Hsiu Chen	2,424,334	32.77%
				President	-		
52	123	AUK	Acer U.K. Limited	Director	Emmanuel Fromont, Tai Chi Shih, Craig Booth	9,071,790	100.00%
				President	-		
53	124	ACF	Acer Computer France S.A.S.U.	Director	Angelo DAmbrosio, Emmanuel Fromont, Tai Chi Shih	2,606,140	100.00%
				President	-		
54	128	ACH	Acer Computer B.V.	Director	Bart Janssen, Emmanuel Fromont, Tai Chi Shih	261,226	100.00%
				President	-		
55	129	AOA	AOPEN America Inc.	Director	Victor Chien, Jim Chen, Ken Wang	15,000,000	43.68%
				President	Aaron Pompey		
56	134	CCI	Cross Century Investment Limited	Director	Jason Chen, Meggy Chen, Sophia YL Chen	849,848	100.00%
				President	-		
				Supervisor	Cindy CY Hsu		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
57	137	ASDI	Aspire Service & Development Inc.	Director	Andy HT Lin, Meggy Chen, Andrew Hou	5,000,000	59.94%
				President	-		
				Supervisor	Sophia YL Chen		
58	138	ABC	Acer-Being Communication Inc.	Director	Jason Chen, Maverick Shih, Po Po	2,500,000	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
59	139	AIT	Acer Italy S.R.L.	Director	Emmanuel Fromont, Tai Chi Shih, Marco Peverelli, Roberta Matrone, Giovanni Borgini, Angelo Dambrosio	N.A.	100.00%
				President	-		
60	141	AOSV	Aopen SmartVision Incorporated	Director	Victor Chien, Ken Wang, Edward Chen	1,500,000	43.68%
				President	-		
				Supervisor	Alice Yang		
61	144	BLI	Bluechip Infotech Incorporated	Director	Chiang Sheng Hsiung, Jerry Lin, Peter L.J. Pan	100,000	32.77%
				President	-		
				Supervisor	Edward Chen		
62	145	ACD	Acer Denmark A/S	Director	Tai Chi Shih, Henrik Frydahl, Emmanuel Fromont	100	100.00%
				President	-		
63	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	Director	Mercury Kuo	N.A.	100.00%
				President	Mercury Kuo		
				Supervisor	KV Cheng		
64	147	ATBD	ACER TECHNOLOGY AND BUSINESS DEVELOPMENT PTE. LTD.	Director	Sharon Koh, Andrew Hou, Jason Chen, Meggy Chen, Andy HT Lin, Lee Hwang Yann	1,000	100.00%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
65	149	EBSH	Acer e-Enabling Service Business (Shang-Hai) Ltd.	Director	Sandy Chou	N.A.	63.46%
				President	Jack Chou		
				Supervisor	KV Cheng		
66	151	BLNZ	Bluechip Infotech (NZ) Limited	Director	Jerry Lin, Chiang Sheng Hsiung	3,600,000	32.77%
				President	-		
67	152	BLINZ	BLUECHIP INFOTECH NEW ZEALAND LIMITED	Director	Jerry Lin, Chiang Sheng Hsiung, Christopher James Walter Fitzgerald	3,600,000	19.66%
				President	-		
68	156	MPS	MPS Energy Inc.	Director	RC Chang, Jason Chen, Meggy Chen, Andy HT Lin, Lydia Wu	9,750,278	94.20%
				President	Bryan Yeh		
				Supervisor	Sophia YL Chen, Vincent Chi		
69	160	ACV	Acer Austria GmbH	Director	Emmanuel Fromont, Michael Stuhr, Tai Chi Shih	N.A.	100.00%
				President	-		
70	161	MIA	Mia Telecomms Pty Limited	Director	Matthew Brian Milne, Chiang Sheng Hsiung	719,286	32.77%
				President	-		
71	167	AMED	Acer Medical Inc.	Director	Allen Lien, Stan Shih, Jason Chen	10,279,005	67.51%
				Independent Director	Allen Lien		
72	168	AEH	Acer European Holdings SA	Director	Shou Jen Kuo, Hsu Sung Kuo, Wen Yueh Chan, Mon Han Wu	147,000	100.00%
				President	Emmanuel Fromont, Bruno Pelletier, Tai Chi Shih, Jason Chen, Meggy Chen		
73	171	GCN	Gadge Tek (Shanghai) Limited	Director	Jack Lan	N.A.	63.54%
				President	-		
				Supervisor	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
74	172	AOTH	AOPEN Technology Inc.	Director	Ken Wang, Edward Chen	50,000	43.68%
				President	-		
75	173	PBT	Pecer Bio-medical Technology Incorporated	Director	Jason Chen, Dave Lin, Steve Lin	75,000	44.20%
				President	-		
				Supervisor	Sophia YL Chen		
76	174	ACN	Acer Computer Norway AS	Director	Emmanuel Fromont, Anne-Mette Guthus, Tai Chi Shih, Wilfried Thom	6,531	100.00%
				President	-		
77	177	EDC	Acer e-Enabling Data Center Incorporated	Director	Maverick Shih, Rex Wu, Meggy Chen	44,462,350	60.76%
				President	Rex Wu		
				Supervisor	Dick Tan		
78	178	AAM	Acer Asset Management Incorporated	Director	Jason Chen, Lydia Wu, Andy HT Lin	107,718,900	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
79	180	AIB	Acer Computer Iberica, S.A.	Director	Emmanuel Fromont, Tai Chi Shih	142,338	100.00%
				President	-		
80	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	Director	KV Cheng, Sophia YL Chen, Mercury Kuo	N.A.	100.00%
				President	-		
				Supervisor	Jim Liu		
81	182	AIN	PT. Acer Indonesia	Director	Parman Iskak, Meggy Chen, Ryan Yen, Leny Marlina Ng	300,000	100.00%
				President	Andrew Hou		
82	183	ABI	Acer Beverage Incorporated	Director	Jason Chen, Sophia YL Chen, Kate Shang	1,000,000	100.00%
				President	-		
				Supervisor	Dick Tan		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
83	184	WKS	Winking Studios Limited	Director	Cheng Han Jan, Shu Kau Kao	142,537,815	35.69%
				President	Lim Heng Choon, Yi Hao Chang, Wu Te Yang		
84	186	SHW	Shanghai Wishing Entertainment Limited	Supervisor	Cheng Han Jan	N.A.	35.69%
				Supervisor	Cheng Han Jan		
85	187	WKNJ	Nanjing Winking Entertainment Ltd	Director	Cheng Han Jan	N.A.	35.69%
				President	Chen Te Yen		
86	188	WKHK	Winking Art Limited	Supervisor	Cheng Han Jan	1	35.69%
				Director	Cheng Han Jan		
87	189	HSN	HighPoint Service Network Sdn Bhd	Director	Teck Chee Hean, Jacky Lin, Soon, Peng Sin	1,000,000	63.18%
				President	Soon, Peng Sin		
88	192	AIL	Acer India Private Limited	Director	Sophia YL Chen, Andrew Hou, Harish K. Kohli	78,803,764	100.00%
				President	-		
89	193	ADSC	Acer Digital Service Co.	Director	Jason Chen, Meggy Chen, Lydia Wu	66,214,874	100.00%
				President	-		
90	194	AFN	Acer Finland Oy	Supervisor	Sophia YL Chen	50	100.00%
				Director	Emmanuel Fromont, Tai Chi Shih, Wilfried Thom, Henrik Frydahl		
91	197	AHN	Acer Europe B. V.	President	-	166,043	100.00%
				Director	Emmanuel Fromont, Els Vandersickel, Tai Chi Shih, Tobi Musson		
92	199	ACW	Acer Sweden AB	Director	Emmanuel Fromont, Henrik Frydahl, Tai Chi Shih, Niels Bjorling	1,000	100.00%
				President	-		
93	200	SER	Sertec 360 SA	Director	Tobi Musson, Marcus Kueppers, Emmanuel Fromont, Tai Chi Shih	1,000	100.00%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
94	203	CPY	CPYou B.V.	Director President	Bart Janssen, Els Vandersickel, Tai Chi Shih -	1,000	100.00%
95	206	WKTW	Winking Entertainment Corporation	Director President	Cheng Han Jan Cheng Han Jan	12,236,060	35.69%
96	207	WKSK	Winking Skywalker Entertainment Limited	Director President	Cheng Han Jan -	3,000,000	35.69%
97	208	WKSG	Winking Art Pte. Ltd	Director President	Cheng Han Jan, Chen Te Yen Cheng Han Jan	2,000,000	35.69%
98	209	WKSH	Shanghai Winking Entertainment Limited	Director President Supervisor	Cheng Han Jan Tai Wei Cho	N.A.	35.69%
99	215	ENDE	Enfinitec Germany GmbH	Director President	Tobi Musson, Robert Perenz, Tai Chi Shih, Emmanuel Pierre Marie Fromont -	100	100.00%
100	216	ENFR	Enfinitec France	Director President	Tobi Musson, Angelo Dambrosio, Tai Chi Shih, Emmanuel Pierre Marie Fromont -	100	100.00%
101	217	ENPL	Enfinitec Poland Sp. z o.o.	Director President	Tobi Musson, Emmanuel Fromont, Tai Chi Shih -	5,000	100.00%
102	219	ENCZ	Enfinitec Czech Republic s.r.o	Director President	Tobi Musson, Emmanuel Fromont, Tai Chi Shih -	1	100.00%
103	223	AST	Acer Synergy Tech Corp.	Director President Independent Director	Maverick Shih, Meggy Chen, Andy HT Lin KS Harn Nancy Hu, Teresa Cheng, Cathy Yen, Ian Liao	12,884,919	58.04%

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
104	224	ASTS	Shanghai AST Technology Service Ltd.	Director President Supervisor	Lydia Wu, Maverick Shih, Meggy Chen KS Harn Sophia YL Chen	N.A.	58.04%
105	225	ASM	Acer Synergy Manpower Corp.	Director Independent Director President	KS Harn, Maverick Shih, Grace GC Chen Eric Lan, Claudia Ku, Kevin Cheng, Andy Wang Anne Chen	6,062,877	35.19%
106	226	ASTA	ACERSYNERGY TECH AMERICA CORPORATION	Director President	Maverick Shih, KS Harn -	500	58.04%
107	227	ACLAH	Boardwalk Capital Holdings Limited	Director President	Jason Chen, Meggy Chen -	1,373,071,341	100.00%
108	228	ACLAN	ACLA Holdings North, LLC	Director President	Nga Ly -	N.A.	100.00%
109	229	ACLAS	ACLA Holding South, LLC	Director President	Nga Ly -	N.A.	100.00%
110	230	ACLAE	ACLA Holding East, LLC	Director President	Nga Ly -	N.A.	100.00%
111	231	ACLAW	ACLA Holding West, LLC	Director President	Nga Ly -	N.A.	100.00%
112	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	Director President	Alexandre Gerardo -	249,466,846	100.00%
113	237	SPE	Shine Passion Engineering Co., Ltd	Director President	Peter Teng, Stanley Yeh, Maverick Shih, KS Harn, Mercury Kuo Sophia YL Chen, Vincent Chi	3,474,114	16.96%
114	238	ASMA	Acer Synergy Manpower America Corporation	Director President	KS Harn, Anne Chen -	500	35.19%

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
115	244	ACSI	Acer Cyber Security Incorporated	Director	Maverick Shih, Meggy Chen, Jake Tsai	13,390,601	60.76%
				President	Rex Wu		
				Independent Director	Chie Shiang Tong, Grace Lung, Catherine Lee, Dung Chun Tsai		
116	245	ACAD	ACSI Cyber Security Academy Inc.	Director	Rex Wu, Chris Kuo, C Y Huang	1,000,000	60.76%
				President	Dick Tan		
117	249	AOC	AOPEN International (Shanghai) Co., Ltd	Director	Victor Chien, Edward Chen, Ken Bc1 Wang		
				President	Sunny Liao	N.A.	43.68%
				Supervisor	-		
118	251	AGT	Acer Gadget Inc.	Director	Jerry Kao, Jason Chen, Sophia YL Chen	39,308,288	63.54%
				President	Allen Jong		
				Independent Director	Jones Yu, Lori King, JK Wang, Minghui Lin		
119	257	ARU	Acer Marketing Services LLC	Director	Sophia YL Chen, Doris Lin, Julia Volodina, Dmitry Kravchenko	N.A.	100.00%
				President	-		
120	259	AGU	AGP Insurance (Guernsey) Limited	Director	Richard John Gale, Christopher Anderson, Steve CY Chang, Malcolm John Cutts-Wattson, Christian Greisberger	5,000,000	100.00%
				President	-		
121	260	DTP	Dingo Tech Pty Ltd	Director	Chiang Sheng Hsiung	100	32.77%
				President	Chiang Sheng Hsiung		
122	261	DNA	Digital Networks Australia Pty Ltd	Director	Chiang Sheng Hsiung	200	32.77%
				President	Chiang Sheng Hsiung		
123	262	IGP	Ingeniq Pty Ltd	Director	Chiang Sheng Hsiung	100	32.77%
				President	Chiang Sheng Hsiung		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
124	265	BIAC	Beijing Altos Computing Ltd.	Director	Jackie CC Lee, Andrew Hou, Meggy Chen	N.A.	78.59%
				President	-		
				Supervisor	Sophia YL Chen		
125	269	AOJ	AOPEN Japan Inc.	Director	Ken Wang, Frank Huang, Victor Chien	200	43.68%
				President	-		
				Supervisor	Edward Chen		
126	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	Director	Ken Wang, Steve Yu		
				President	Steve Yu	N.A.	43.68%
				Supervisor	Edward Chen		
127	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY.LTD.	Director	Stephen Borg, Dale Tsai, Edward Chen	105,000	35.06%
				President	-		
128	277	AOAU	AOPEN Australia & New Zealand Pty Ltd	Director	Dale Tsai, Edward Chen, Stephen Borg, Steve Hogan	100	30.58%
				President	Stephen Borg		
129	287	AGM	Acer Gaming Inc.	Director	Jerry Kao, Jason Chen, Vincent Wei	24,511,832	70.03%
				President	James Hsu		
				Independent Director	Wen Yueh Chan, Ian Liao, Yingying Liao		
130	288	DZH	DropZone Holding Limited	Director	Jason Chen, Jerry Kao, Meggy Chen	100,000	100.00%
				President	-		
131	289	DZL	DropZone (Hong Kong) Limited	Director	Jason Chen, Jerry Kao, Meggy Chen	3,000	100.00%
				President	-		
132	293	AAAPH	Acer Asia Pacific Sdn Bhd	Director	Jason Chen, Tek Yoong Kon, Chai Mee Leng, Andrew Hou	3,319,995	100.00%
				President	-		
133	299	AGMPH	Acer Global Merchandise Philippines Inc.	Director	Manuel Wong, James Hsu, Sue Ong, Jerry Kao, Sophia YL Chen	153,583	70.03%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
134	310	AEG	Acer Europe SA	Director President	Emmanuel Fromont, Jason Chen, Tai Chi Shih -	1,650	100.00%
135	313	ACZ	Acer Czech Republic s.r.o.	Director President	Emmanuel Fromont, Tomas Cech, Tai Chi Shih -	N.A.	100.00%
136	330	PAL	Protrade Asia Limited	Director President	Dave Lin, Jack Wei, Gordon Christopher Bell -	70,000	36.85%
137	331	DCL	Dakota Co., Ltd.	Director President	Dave Lin, Jack Wei -	650,000	36.85%
138	332	CRI	Cascadia Resources Inc.	Director President	Gordon Christopher Bell, Lee Jonathan Insung, Jack Wei Gordon Christopher Bell	2,000,000	36.85%
139	333	PAM	Portrade Applied Materials Corp.	Director President Supervisor	Dave Lin, Jason Chen, Andy HT Lin, Lydia Wu, Sophia YL Chen Dave Lin Cathy Wang, Alice Chang	14,340,150	36.85%
140	334	PST	Protrade Shanghai Trading Co., Ltd.	Director President Supervisor	Dave Lin, Jack Wei, Juno Ko -	650,000	36.85%
141	335	PRV	Protrade Resources Vietnam Company Limited	Director President	Jack Wei -	1	36.85%
142	336	APHI	Acer Philippines, Inc.	Director President	Manuel Wong, Ryan Yen, Andrew Hou, Susan M Santos, Yolanda S. Sebastian Manuel Wong	135,101	100.00%
143	337	HSNV	HighPoint Service Network Vietnam Company Limited	Director President Supervisor	Andrew Hou, Jacky Lin, VU THI THANH PHUONG VU THI THANH PHUONG Jeffrey Chiang	N.A.	63.18%

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
144	338	HPA	HighPoint Australia Pty Ltd	Director President	Gaba Cheng -	500,000	100.00%
145	345	HSNI	PT HSN Tech Indonesia	Director President Supervisor	Effendy thendean, Jacky Lin, Andrew Hou Effendy thendean Jeffrey Chiang	990,000	63.55%
146	346	ALIN	Altos Computing (India) Private Limited	Director President	Harish Kumar Kohli, Sanjay Virnave, Ryan Yen, Jeff Lee, Jackie Lee -	16,250,000	78.80%
147	347	HSNP	HighPoint Services Network Philippines, Inc.	Director President	Diogenes Vasquez, Jeffrey Chiang, Jacky Lin Diogenes Vasquez	106,000	63.18%
148	348	HSNT	HighPoint Service Network (Thailand) Co., Ltd	Director President	Sombat Toasaksiri, Jeffrey Chiang, Jacky Lin Sombat Toasaksiri	24,499	63.18%
149	349	HSNC	HighPoint Service Network Corporation	Director President Independent Director	Andrew Hou, Meggy Chen, Lucia Liao Jacky Lin Sarah Wang, Simon Wang, James Cheng, Justin Huang	10,241,881	63.18%
150	353	SFT	Smart Frequency Technology Inc.	Director Supervisor	Dave Lin, Jerry Lin, Sophia YL Chen	24,000,000	100.00%
151	400	GWJ	Gateway, Inc.	Director	Meggy Chen, Gregg Prendergast, Nga Ly	100	100.00%

2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan

None

3. Status of Acer common shares and GDRs acquired, disposed of, and held by subsidiaries

Unit: NT\$ Thousands

Name of Investee	Total Amount of Paid-in Capital	Source	Percentage of Acer	Acquired/ disposed date	Acquisitions	Disposal	Gain (Loss)	Number shares(units) and amount as of the Date of this Annual Report	Pledged	Guarantees and endorsements provided by Acer	Financing provide by Acer
CCI	8,498	Generated from operations	100%	Acquired (note1) 2023.04.10	12,729,869shares \$522,237	0 share \$0	0 share \$0	17,503,600 shares \$693,561	None	None	None
				Disposed 2023.12.27	0 share \$0	1,000,000 shares \$53,912	\$14,288	16,503,600 shares \$653,937	None	None	None
				Disposed 2023.12.28	0 share \$0	1,500,000 shares \$80,706	\$21,271	15,003,600 shares \$594,502	None	None	None
				Disposed 2023.12.29	0 share \$0	2,600,000 shares \$140,579	\$37,556	12,403,600 shares \$491,479	None	None	None
				During 2023 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	12,403,600 shares \$491,479	None	None	None
CCI	8,498	Generated from operations	100%	Acquired (note1) 2023.04.10	GDR(note2) 4,987,459units \$1,969,617	0 share \$0	0 share \$0	GDR(note2) 4,987,459units \$1,969,617	None	None	None
				During 2023 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	GDR(note2) 4,987,459units \$1,969,617	None	None	None
ASCBVI	-	-	-	Disposed (note1) 2023.04.10	0 share \$0	12,729,869shares \$522,237	0 share \$0	0 share \$0	None	None	None
				During 2023 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	0 share \$0	None	None	None
ASCBVI	-	-	-	Disposed (note1) 2023.04.10	0 share \$0	GDR(note2) 4,987,459units \$1,969,617	0 share \$0	0 share \$0	None	None	None
				During 2023 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	0 share \$0	None	None	None
AGT	618,600	Generated from operations	63.54%	During 2022 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	4,305,395shares \$251,678	None	None	None

Note1: ASCBVI was merged into CCI.

Note2: Each unit stands for Acer's 5 common shares.

4. Other matters that require additional description

None

If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one

None

Appendix I

2023 Consolidated Financial Statements

ACER INCORPORATED AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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.

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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, 2023 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
Date: March 14, 2024



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of 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, 2023 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 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 based on business practice is subject to management's judgment, which involves significant uncertainty. Consequently, the revenue recognition and accrual of sales allowances 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, including the reasonableness of key assumptions; and inspecting the historical payments of sales allowances to evaluate the reasonableness of the sales allowances 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, 2023 and 2022, 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 Shih, Wei-Ming and Kao, Ching-Wen.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 48,134,128	23	46,842,902	25
1110	Financial assets measured at fair value through profit or loss — current (note 6(b))	140,558	-	935,122	1
1137	Financial assets measured at amortized cost — current (note 6(f))	461,025	-	-	-
1140	Contract assets — current (note 6(y))	701,205	-	523,881	-
1170	Notes and accounts receivable, net (notes 6(c) & (y))	52,194,191	25	51,322,037	27
1180	Accounts receivable from related parties (notes 6(c) & (y) and 7)	114,041	-	41,821	-
1200	Other receivables (note 7)	981,335	-	441,720	-
1220	Current income tax assets	348,843	-	354,479	-
130X	Inventories (note 6(d))	43,553,072	22	42,213,077	22
1476	Other financial assets — current (notes 6(a) and 8)	6,885,203	3	345,879	-
1479	Other current assets (note 6(m))	4,052,437	2	3,636,107	2
Total current assets		157,566,038	75	146,657,025	77
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income — non-current (note 6(e))	11,901,429	6	7,603,961	4
1535	Financial assets measured at amortized cost — non-current (note 6(f))	4,214,559	2	797,782	-
1550	Investments accounted for using the equity method (note 6(g))	1,391,943	1	1,174,374	1
1600	Property, plant and equipment (notes 6(i) and 8)	4,423,825	2	4,298,887	2
1755	Right-of-use assets (note 6(j))	1,924,650	1	1,969,364	1
1760	Investment property (note 6(k))	861,680	-	831,925	1
1780	Intangible assets (note 6(l))	18,855,332	9	18,530,591	10
1840	Deferred income tax assets (note 6(u))	3,784,322	2	3,705,388	2
1980	Other financial assets — non-current (note 8)	1,133,805	1	1,082,824	1
1990	Other non-current assets (note 6(m))	2,676,263	1	2,387,598	1
Total non-current assets		51,167,808	25	42,382,694	23
Total assets		\$ 208,733,846	100	189,039,719	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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (notes 6(n) and 8)	\$ 976,627	-	1,652,086	1
2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b))	787,803	-	1,015,407	-
2130	Contract liabilities – current (note 6(y))	3,252,251	2	2,985,415	2
2170	Notes and accounts payable (note 7)	44,701,410	21	31,549,698	17
2200	Other payables (notes 6(z) and 7)	32,285,437	16	35,449,182	19
2230	Current tax liabilities	2,997,993	1	3,247,082	2
2250	Provisions – current (notes 6(r) and 9)	6,466,024	3	6,916,990	3
2280	Lease liabilities – current (note 6(q))	613,488	-	613,263	-
2322	Current portion of long-term debt (notes 6(o) and 8)	39,518	-	58,017	-
2365	Refund liabilities – current	13,968,281	7	14,722,275	8
2399	Other current liabilities	<u>1,120,719</u>	<u>1</u>	<u>1,314,317</u>	<u>1</u>
	Total current liabilities	<u>107,209,551</u>	<u>51</u>	<u>99,523,732</u>	<u>53</u>
Non-current liabilities:					
2500	Financial liabilities measured at fair value through profit or loss – non-current (note 6(b))	-	-	4,850	-
2527	Contract liabilities – non-current (note 6(y))	712,983	-	829,346	-
2531	Bonds payable (note 6(p))	10,000,000	5	10,000,000	5
2540	Long-term debt (notes 6(o) and 8)	1,565,035	1	104,476	-
2550	Provisions – non-current (notes 6(r) and 9)	14,232	-	15,296	-
2570	Deferred income tax liabilities (note 6(u))	5,718,682	3	5,025,255	3
2580	Lease liabilities – non-current (note 6(q))	1,486,249	1	1,495,786	1
2600	Other non-current liabilities	<u>1,685,049</u>	<u>1</u>	<u>1,606,783</u>	<u>1</u>
	Total non-current liabilities	<u>21,182,230</u>	<u>11</u>	<u>19,081,792</u>	<u>10</u>
	Total liabilities	<u>128,391,781</u>	<u>62</u>	<u>118,605,524</u>	<u>63</u>
Equity (notes 6(e), (g), (h) and (v)):					
3110	Common stock	30,478,538	15	30,478,538	16
3200	Capital surplus	27,805,176	13	27,795,883	15
3300	Retained earnings	18,490,986	9	14,897,145	8
3400	Other equity	664,598	-	(4,309,253)	(2)
3500	Treasury stock	<u>(2,712,774)</u>	<u>(1)</u>	<u>(2,914,856)</u>	<u>(2)</u>
	Equity attributable to shareholders of the Parent	<u>74,726,524</u>	<u>36</u>	<u>65,947,457</u>	<u>35</u>
36XX	Non-controlling interests	<u>5,615,541</u>	<u>2</u>	<u>4,486,738</u>	<u>2</u>
	Total equity	<u>80,342,065</u>	<u>38</u>	<u>70,434,195</u>	<u>37</u>
	Total liabilities and equity	<u>\$ 208,733,846</u>	<u>100</u>	<u>189,039,719</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

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

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Net revenue (notes 6(y), 7 and 14)	\$ 241,308,142	100	275,423,744	100
5000 Cost of revenue (notes 6(d), (i), (j), (l), (q),(r), (t) & (z), 7 and 12)	<u>(215,484,917)</u>	<u>(89)</u>	<u>(245,679,257)</u>	<u>(89)</u>
Gross profit	<u>25,823,225</u>	<u>11</u>	<u>29,744,487</u>	<u>11</u>
Operating expenses (notes 6(c), (i), (j), (k), (l), (q),(r),(s), (t), (w) & (z), 7 and 12):				
6100 Selling expenses	(14,204,313)	(6)	(15,679,457)	(5)
6200 General and administrative expenses	(5,335,136)	(2)	(4,826,563)	(2)
6300 Research and development expenses	<u>(2,118,397)</u>	<u>(1)</u>	<u>(2,448,843)</u>	<u>(1)</u>
Total operating expenses	<u>(21,657,846)</u>	<u>(9)</u>	<u>(22,954,863)</u>	<u>(8)</u>
6500 Other operating income and expenses, net (notes 6(s)&(aa) and 7)	<u>60,032</u>	<u>-</u>	<u>138,073</u>	<u>-</u>
Operating income	<u>4,225,411</u>	<u>2</u>	<u>6,927,697</u>	<u>3</u>
Non-operating income and loss:				
7100 Interest income (note 6(ab))	2,059,695	1	535,746	-
7010 Other income (note 6(ab))	484,476	-	556,176	-
7020 Other gains and losses (notes 6(g), (l), (ab)&(ac) and 7)	1,265,856	-	(72,937)	-
7050 Finance costs (notes 6(q) & (ab))	(283,478)	-	(193,684)	-
7060 Share of profits of associates and joint ventures (note 6(g))	<u>46,835</u>	<u>-</u>	<u>120,823</u>	<u>-</u>
Total non-operating income and loss	<u>3,573,384</u>	<u>1</u>	<u>946,124</u>	<u>-</u>
7900 Income before taxes	7,798,795	3	7,873,821	3
7950 Income tax expense (note 6(u))	<u>(2,167,631)</u>	<u>(1)</u>	<u>(2,270,529)</u>	<u>(1)</u>
Net income	<u>5,631,164</u>	<u>2</u>	<u>5,603,292</u>	<u>2</u>
Other comprehensive income (loss) (notes 6 (e), (g), (t), (u) & (v)):				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Remeasurements of defined benefit plans	(35,982)	-	587,280	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	7,812,351	3	(1,221,882)	-
8320 Share of other comprehensive income (loss) of associates	84	-	(13)	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	<u>3,280</u>	<u>-</u>	<u>(34,430)</u>	<u>-</u>
Total items that will not be reclassified to profit or loss	<u>7,779,733</u>	<u>3</u>	<u>(669,045)</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	408,596	-	4,596,636	1
8370 Share of other comprehensive gains (losses) of associates	(568)	-	234	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total items that may be reclassified subsequently to profit or loss	<u>408,028</u>	<u>-</u>	<u>4,596,870</u>	<u>1</u>
Other comprehensive income, net of taxes	<u>8,187,761</u>	<u>3</u>	<u>3,927,825</u>	<u>1</u>
Total comprehensive income for the year	<u>\$ 13,818,925</u>	<u>5</u>	<u>9,531,117</u>	<u>3</u>
Net income attributable to:				
8610 Shareholders of the Parent	\$ 4,931,944	2	5,003,688	2
8620 Non-controlling interests	<u>699,220</u>	<u>-</u>	<u>599,604</u>	<u>-</u>
	<u>\$ 5,631,164</u>	<u>2</u>	<u>5,603,292</u>	<u>2</u>
Total comprehensive income attributable to:				
8710 Shareholders of the Parent	\$ 13,141,580	5	8,930,204	3
8720 Non-controlling interests	<u>677,345</u>	<u>-</u>	<u>600,913</u>	<u>-</u>
	<u>\$ 13,818,925</u>	<u>5</u>	<u>9,531,117</u>	<u>3</u>
Earnings per share (in New Taiwan dollars) (note 6(x)):				
9750 Basic earnings per share	<u>\$ 1.64</u>		<u>1.67</u>	
9850 Diluted earnings per share	<u>\$ 1.64</u>		<u>1.65</u>	

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent													
	Retained earnings					Other equity					Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total				
Balance at January 1, 2022	\$ 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 period	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688	599,604	5,603,292
Other comprehensive income (loss) for the period	-	-	-	-	-	-	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 period	-	-	-	-	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 and distribution of retained earnings:														
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)
Change 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	<u>30,478,538</u>	<u>27,795,883</u>	<u>2,515,341</u>	<u>7,398,192</u>	<u>4,983,612</u>	<u>14,897,145</u>	<u>(4,219,903)</u>	<u>(409,726)</u>	<u>320,376</u>	<u>(4,309,253)</u>	<u>(2,914,856)</u>	<u>65,947,457</u>	<u>4,486,738</u>	<u>70,434,195</u>
Net income for the period	-	-	-	-	4,931,944	4,931,944	-	-	-	-	-	4,931,944	699,220	5,631,164
Other comprehensive income (loss) for the period	-	-	-	-	-	-	421,565	7,813,884	(25,813)	8,209,636	-	8,209,636	(21,875)	8,187,761
Total comprehensive income (loss) for the period	-	-	-	-	4,931,944	4,931,944	421,565	7,813,884	(25,813)	8,209,636	-	13,141,580	677,345	13,818,925
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	495,986	-	(495,986)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(84,251)	84,251	-	-	-	-	-	-	-	-	-
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
Disposal of the Company's share by subsidiaries recognized as treasury share transactions	-	73,115	-	-	-	-	-	-	-	-	202,082	275,197	-	275,197
Share of changes in equity of associates	-	1,640	-	-	-	-	-	-	-	-	-	1,640	-	1,640
Changes in ownership interests in subsidiaries	-	(117,115)	-	-	-	-	(1,364)	(431)	(312)	(2,107)	-	(119,222)	119,222	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	84,859	84,859
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(19,538)	-	-	-	-	-	-	-	-	-	(19,538)	19,538	-
Organizational restructuring under common control	-	252	-	-	-	-	-	-	-	-	-	252	(252)	-
Stock option compensation cost of subsidiaries	-	820	-	-	-	-	-	-	-	-	-	820	4,851	5,671
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	220,553	220,553
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	429,281	429,281
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(426,594)	(426,594)
Disposal of financial assets measured at fair value through other comprehensive income by the Company	-	-	-	-	3,212,026	3,212,026	-	(3,212,026)	-	(3,212,026)	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	21,652	21,652	-	(21,652)	-	(21,652)	-	-	-	-
Balance at December 31, 2023	<u>\$ 30,478,538</u>	<u>27,805,176</u>	<u>3,011,327</u>	<u>7,313,941</u>	<u>8,165,718</u>	<u>18,490,986</u>	<u>(3,799,702)</u>	<u>4,170,049</u>	<u>294,251</u>	<u>664,598</u>	<u>(2,712,774)</u>	<u>74,726,524</u>	<u>5,615,541</u>	<u>80,342,065</u>

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 7,798,795	7,873,821
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,129,867	1,016,650
Amortization	646,315	674,048
Net loss on financial assets measured at fair value through profit or loss	6,962	37,445
Effects of exchange rate changes on financial assets measured at amortized cost	(2,448)	(57,817)
Interest expense	283,478	193,684
Interest income	(2,059,695)	(535,746)
Dividend income	(484,476)	(556,176)
Share-based compensation cost	5,671	20,757
Share of profits of associates and joint ventures	(46,835)	(120,823)
Gain on disposal of investments	(3,967)	(8,121)
Loss (gain) on disposal of equipment and intangible assets	(1,233)	9,559
Property, plant and equipment reclassified to cost	323	-
Impairment loss on non-financial assets	1	7,503
Reversal of impairment loss on non-financial assets	-	(30,048)
Gain on bargain purchase	(2,216)	-
Loss on liquidation of subsidiaries and other investments	-	2,566
Total adjustments for profit or loss	<u>(528,253)</u>	<u>653,481</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(154,704)	1,268,942
Contract assets	(147,583)	18,835
Notes and accounts receivable	(762,755)	12,910,775
Receivables from related parties	(68,125)	(40,492)
Inventories	(1,345,565)	16,491,929
Other receivables and other current assets	(802,331)	147,075
Other non-current assets	48,588	150,924
Changes in operating assets	<u>(3,232,475)</u>	<u>30,947,988</u>
Changes in operating liabilities:		
Contract liabilities	37,990	352,660
Notes and accounts payable	13,039,769	(26,389,589)
Other payables and other current liabilities	(3,384,816)	(2,705,802)
Provisions	(454,602)	328,977
Refund liabilities	(753,994)	(1,406,701)
Other non-current liabilities	45,371	88,790
Changes in operating liabilities	<u>8,529,718</u>	<u>(29,731,665)</u>
Cash provided by operations	12,567,785	9,743,625
Interest received	1,910,847	517,270
Income taxes paid	(1,795,092)	(4,326,459)
Net cash flows provided by operating activities	<u>12,683,540</u>	<u>5,934,436</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(845,063)	(978,681)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	4,356,887	-
Acquisition of financial assets measured at amortized cost	(3,859,633)	(739,775)
Acquisition of financial assets measured at fair value through profit or loss	(74,724)	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	775,088	1,943,356
Acquisition of investments accounted for using the equity method	(397,661)	(150,125)
Proceeds from disposal of investments accounted for using the equity method	-	21,136
Acquisition of property, plant and equipment and investment property	(516,266)	(475,429)
Proceeds from disposal of property, plant and equipment and intangible assets	54,517	32,342
Acquisition of intangible assets	(483,472)	(395,832)
Payment of contingent consideration arising from business combination or investment in associates	(35,609)	(37,534)
Net cash inflow (outflow) from acquisition of subsidiaries	248,473	(418,436)
Increase in assets recognized from costs to fulfill contracts with customers	(558,479)	(356,804)
Decrease (increase) in other financial assets	(6,587,259)	28,258
Dividends received	557,384	624,495
Net cash flows used in investing activities	<u>(7,365,817)</u>	<u>(903,029)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	3,784,389	9,800,722
Decrease in short-term borrowings	(4,503,595)	(9,434,416)
Increase in long-term debt	1,500,000	72,355
Repayment of long-term debt	(63,652)	(34,561)
Payment of lease liabilities	(744,711)	(652,218)
Cash dividends	(4,501,662)	(6,841,809)
Proceeds from sale of treasury shares	275,197	-
Cash dividends paid to non-controlling interests by subsidiaries	(426,594)	(207,441)
Issuance of common stock by subsidiaries not subscribed by the Group	433,434	1,616,281
Acquisition of interests in subsidiaries	(28,613)	(21,930)
Proceeds from disposal of interests in subsidiaries (without losing control)	113,472	44,916
Interest paid	(277,876)	(181,155)
Net cash flows used in financing activities	<u>(4,440,211)</u>	<u>(5,839,256)</u>
Effect of foreign exchange rate changes	<u>413,714</u>	<u>3,031,210</u>
Net increase in cash and cash equivalents	1,291,226	2,223,361
Cash and cash equivalents at beginning of period	<u>46,842,902</u>	<u>44,619,541</u>
Cash and cash equivalents at end of period	<u>\$ 48,134,128</u>	<u>46,842,902</u>

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, 2023 and 2022

**(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 14, 2024.

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”) adopted in the financial statements.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- 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”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, starting from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS endorsed 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, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group estimate that the following new and amended standards, which have yet to be endorsed by the FSC, to have no 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”
- Amendments to IAS21 “Lack of Exchangeability”

4. Summary of material accounting policies

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

When necessary, financial statements of subsidiaries are adjusted to align with 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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
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 and support service of 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 %	Note 5
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 %	
AEH and AHN	Acer Bilisim Teknolojileri Limited Sirketi (“ATR”, Turkey)	Marketing of brand-name 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 %	
ACF	Enfinitec France (“ENFR”, France)	Management, repair and maintenance of IT products	100.00 %	-	Note 2
AHN	Acer U.K. Limited (“AUK”, the United Kingdom)	Sale of brand-name IT products	100.00 %	100.00 %	
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	Enfinitec Switzerland AG (“ENCH”, Formerly Acer Computer (Switzerland) AG, Switzerland)	Management, repair and maintenance of 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 %	

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
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)	Management, repair and maintenance of IT products	100.00 %	100.00 %	
ENNL	Enfinitec Germany GmbH (“ENDE”, Germany)	Management, repair and maintenance of IT products	100.00 %	-	Note 2
AHN	Enfinitec Italy S.R.L (“ENIT”, Italy)	Management, repair and maintenance of IT products	100.00 %	100.00 %	
AHN	Enfinitec Poland Sp. z o.o. (“ENPL”, Poland)	Management, repair and maintenance of IT products	100.00 %	-	Note 2
AHN	Enfinitec Czech Republic s.r.o (“ENCZ”, Czech Republic)	Management, repair and maintenance of IT products	100.00 %	-	Note 2
ACH	Acer Computer Norway AS (“ACN”, Norway)	Marketing and support service of IT products	100.00 %	100.00 %	
ACH	Acer Finland Oy (“AFN”, Finland)	Marketing and support service of IT products	100.00 %	100.00 %	
ACH	Acer 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, CCI and ASCBVI	AGP Tecnologia em Informatica do Brasil Ltda. (“ATB”, Brazil)	Sale of brand-name IT products	100.00 %	100.00 %	
ACTI	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 %	
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 %	

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
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 %	
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 (“AMP”, Indonesia)	Assembly of brand-name IT products	100.00 %	100.00 %	
AHI, CCI 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 %	Note 1
WLII	Protrade Applied Materials Corp. (“PAM”, Taiwan)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	36.85 %	Note 1
PAM	Protrade Asia Limited (“PAL”, British Virgin Islands)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	36.85 %	Note 1
PAM	Dakota Co, Ltd. (“DCL”, Samoa)	Investment and holding activity	36.85 %	36.85 %	Note 1
DCL	Protrade Shanghai Trading Co., Ltd. (“PST”, China)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	36.85 %	Note 1
PAM	Protrade Resources Vietnam Company Limited (“PRV”, Vietnam)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	36.85 %	Note 1
PAM	Cascadia Resources Inc. (“CRI”, U.S.A.)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	36.85 %	Note 1
The Company and ADSC	Acer Synergy Tech Corp. (“AST”, Taiwan)	System integration service	58.04 %	57.75 %	
AST	Shanghai AST Technology Service Ltd. (“ASTS”, China)	System integration service	58.04 %	57.75 %	

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ACER INCORPORATED AND SUBSIDIARIES
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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
AST	Acer Synergy Manpower Corp. (“ASM”, Formerly ISU Service Corp, Taiwan)	Human resources and project service	35.19 %	57.75 %	Note 1
AST	Acer Synergy Tech America Corporation (“ASTA”, U.S.A.)	System integration service	58.04 %	57.75 %	
AST	Shine Passion Engineering Co., Ltd (“SPE”, Taiwan)	Factory project planning and construction	16.96 %	note 6(g)	Notes 2 and 7
ASM	Acer Synergy Manpower America Corporation (“ASMA”, USA)	Human resources and project service	35.19 %	-	Notes 1 and 2
The Company	Acer Digital Service Co. (“ADSC”, Taiwan)	Investment and holding activity	100.00 %	100.00 %	
ADSC	Acer Energy Pack Inc. (“ENP”, Formerly Keypack Technology Incorporated, Taiwan)	Manufacturing of lithium battery module	95.00 %	75.00 %	Note 3
The Company and ADSC	Acer Gaming Inc. (“AGM”, Taiwan)	Agency of video game console and peripherals	70.03 %	70.03 %	
AGM	Acer Global Merchandise Philippines Inc. (“AGMPH”, Philippines)	Agency of video game console and peripherals	70.03 %	70.03 %	Note 3
AGM	Winking Studios Limited (“WKS”, Formerly Winking Entertainment Ltd., Cayman Islands)	Investment and holding activity	35.69 %	38.49 %	Notes 1 and 3
AGM	Winking Art Pte. Ltd (“WKSG”, Singapore)	Art outsourcing	35.69 %	38.49 %	Notes 1 and 3
WKS	Winking Entertainment Corporation (“WKTW”, Taiwan)	IP licensing, design, research and development of original computer games	35.69 %	38.49 %	Notes 1 and 3
WKS	Winking Skywalker Entertainment Limited (“WKSJ”, H.K.)	IP licensing and Game distribution on international platform	35.69 %	38.49 %	Notes 1 and 3
WKS	Winking Entertainment (H.K.) Ltd	Design, operation and sale of computer games	35.69 %	38.49 %	Notes 1 and 3
WKS	Shanghai Winking Entertainment Limited (“WKSH”, China)	Holding activity, Art outsourcing and Game development headquarter	35.69 %	38.49 %	Notes 1 and 3
WKSH	Shanghai Wishing Entertainment Limited (“SHW”, China)	Management of collaborative art design and IP licensing in Mainland China	35.69 %	38.49 %	Note 1 and 3
WKSH	Nanjing Winking Entertainment Ltd (“WKNJ”, China)	Art outsourcing	35.69 %	38.49 %	Notes 1 and 3
WKSH	Winking Entertainment Investment Limited	Research and development of original IP design and IP licensing	-	38.49 %	Notes 1, 3 and 5
WKNJ	Winking Art Limited (“WKHK”, H.K.)	Art outsourcing	35.69 %	38.49 %	Notes 1 and 3
The Company	Acer SoftCapital Incorporated (“CCI”, Formerly Cross Century Investment Limited, Taiwan)	Investment and holding activity	100.00 %	100.00 %	
CCI and ASCBVI	DropZone Holding Limited (“DZH”, Cayman Islands)	Investment and holding activity	100.00 %	100.00 %	

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Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
DZH	DropZone (Hong Kong) Limited ("DZL", Hong Kong)	Operation and maintenance of eSports platform	100.00 %	100.00 %	
The Company	Acer SoftCapital Incorporated ("ASCBVI", British Virgin Islands)	Investment and holding activity	-	100.00 %	Note 5
The Company	Acer Gadget Inc. ("AGT", Taiwan)	Research, development and sale of smart handheld products and peripheral 3C products	63.54 %	65.51 %	
AGT	GadgeTek (Shanghai) Limited ("GCN", China)	Sale of peripheral 3C products	63.54 %	65.51 %	
The Company	Acer BeingWare Holding Inc. ("ABH", Taiwan)	Investment and holding activity	100.00 %	100.00 %	
ABH	Acer Cloud Technology (Taiwan) Inc. ("ACTW", 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 %	78.59 %	Note 3
ALT, CCI and ASCBVI	Altos Computing (India) Private Limited ("ALIN", Formerly Acer Infotech Pvt Ltd., India)	Sale of brand name IT products	78.80 %	78.80 %	
ABH	Acer Mobile Power System Inc. ("MPS", Formerly MPS Energy Inc., Taiwan)	Research, development, and sale of batteries	94.20 %	94.20 %	
ABH	Acer e-Enabling Service Business Inc. ("AEB", Taiwan)	Providing solutions of cloud and digitalization	63.46 %	63.46 %	
AEB	Acer e-Enabling Service Business (Shang-Hai) Ltd. ("EBSH", Shanghai)	Sale of information software and information consulting service	63.46 %	-	Note 2
ABH	Acer ITS Inc. ("ITS", Taiwan)	Programs and services of intelligent transportation and electronic ticketing	100.00 %	94.41 %	
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 %	67.51 %	

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
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)	Information software 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)	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	60.76 %	60.66 %	
ACSI	Acer e-Enabling Data Center Incorporated (“EDC”, Taiwan)	Business continuity plan and IT operation outsourcing services	60.76 %	60.66 %	
ACSI	ACSI Cyber Security Academy Inc. (“ACAD”, Taiwan)	Cyber security training	60.76 %	60.66 %	
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 %	
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	43.68 %	40.55 %	Note 4
AOI	AOPEN America Inc. (“AOA”, U.S.A.)	Sale of computer, apparatus system, and peripheral equipment	43.68 %	40.55 %	Note 4
AOI	AOPEN Computer B.V. (“AOE”, the Netherlands)	Sale of computer, apparatus system, and peripheral equipment	43.68 %	40.55 %	Note 4

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
AOI	AOPEN Technology Inc. (“AOTH”, British Virgin Islands)	Sale of computer, apparatus system, and peripheral equipment	43.68 %	40.55 %	Note 4
AOI	AOPEN Japan Inc. (“AOJ”, Japan)	Software development and agency	43.68 %	40.55 %	Note 4
AOI	Aopen SmartVision Incorporated (“AOSV”, Taiwan)	Sale of computer, apparatus system, and peripheral equipment	43.68 %	40.55 %	Note 4
AOI	AOPEN Global Solutions Pty Ltd. (“AOGS”, Australia)	Sale of display devices	30.58 %	28.39 %	Note 4
AOTH	Great Connection LTD. (“GCL”, Hong Kong)	Sale of computer, apparatus system, and peripheral equipment	43.68 %	40.55 %	Note 4
AOTH	AOPEN International (ShangHai) Co., Ltd (“AOC”, China)	Sale of computer, apparatus system, and peripheral equipment	43.68 %	40.55 %	Note 4
AOTH	AOPEN Information Products (Zhongshan) Inc. (“AOZ”, China)	Manufacture and sale of computer parts and components	43.68 %	40.55 %	Note 4
AOGS	AOPEN Australia & New Zealand Pty Ltd (“AOAU”, Australia)	Sale of computer, apparatus system, and peripheral equipment	30.58 %	28.39 %	Note 4
The Company, AOI and WLII Australia	Bluechip Infotech Pty Ltd. (“Bluechip”, Australia)	Sale of computer peripherals and software system	32.77 %	33.38 %	Note 6
Bluechip	Bluechip Infotech Incorporated (“BLI”, Taiwan)	Sale of computer peripherals and software system	32.77 %	33.38 %	Note 6
Bluechip	Dingo Tech Pty Ltd. (“DTP”, Australia)	Investment and holding activity	32.77 %	33.38 %	Note 6
Bluechip	Mia Telecomms Pty Limited (“MIA”, Australia)	Sale of computer peripherals and software system	32.77 %	33.38 %	Notes 3 and 6
DTP	Digital Networks Australia Pty Ltd. (“DNA”, Australia)	Sales of peripheral computer software system	32.77 %	33.38 %	Note 6
DNA	Ingeniq Pty Ltd (“IGP”, Australia)	Sale of peripheral computer software	32.77 %	33.38 %	Note 6
Bluechip	BLUECHIP GROUP (NZ) LIMITED (“BLNZ”, Formerly Bluechip Infotech (NZ) Limited, New Zealand)	Investment and holding activity	32.77 %	33.38 %	Note 6
BLNZ	BLUECHIP INFOTECH NEW ZEALAND LIMITED (“SSL”, Formerly Soft Solutions Limited, New Zealand)	Sale of peripheral computer software system	19.66 %	20.03 %	Note 6
The Company	Highpoint Service Network Corporation (“HSNC”, Taiwan)	After-sale and value-added services of IT products	63.18 %	63.18 %	
HSNC	Highpoint Service Network (Thailand) Co., Ltd (“HSNT”, Thailand)	After-sale and value-added services of IT products	63.18 %	63.18 %	
HSNC	Highpoint Service Network Vietnam Company Limited (“HSNV”, Vietnam)	After-sale and value-added services of IT products	63.18 %	63.18 %	
HSNC and AHI	PT HSN Tech Indonesia (“HSNI”, Indonesia)	After-sale and value-added services of IT products	63.55 %	63.55 %	

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of Investor</u>	<u>Name of Investee</u>	<u>Main Business and Products</u>	<u>Percentage of Ownership</u>		<u>Note</u>
			<u>December 31, 2023</u>	<u>December 31, 2022</u>	
HSNC	HighPoint Service Network Sdn Bhd (“HSN”, Malaysia)	After-sale and value-added services of IT products	63.18 %	63.18 %	
HSNC	Highpoint Services Network Philippines, Inc. (“HSNP”, Philippines)	After-sale and value-added services of IT products	63.18 %	63.18 %	
The Company	AcerPure Inc. (“API”, Taiwan)	Intelligent solutions of air quality	59.94 %	89.94 %	
API	Acer Property Development Inc. (“APDI”, Taiwan)	Solar optronics business	59.94 %	89.94 %	
API	Aspire Service & Development Inc. (“ASDP”, Taiwan)	Hotel management service	59.94 %	89.94 %	
The Company	Acer Asset Management Incorporated (“AAM”, Taiwan)	Real estate and related management business	100.00 %	100.00 %	
The Company	Acer Beverage Incorporated (“ABI”, Taiwan)	Sale of beverages and related products	100.00 %	100.00 %	Note 3
The Company	ACER TECHNOLOGY AND BUSINESS DEVELOPMENT PTE. LTD. (“ATBD”, Singapore)	Real estate and related management business	100.00 %	-	Note 2
The Company	Smart Frequency Technology Inc. (“SFT”, Taiwan)	R&D, manufacturing and sale of technology application products	100.00 %	note 6(g)	Notes 2 and 8

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 these entities.

Note 2: The subsidiaries were newly established or acquired in 2023.

Note 3: The subsidiaries were newly established or acquired in 2022.

Note 4: The Company acquired 43.68% voting shares, and is the single largest shareholder of AOI. Since the remaining 56.32% 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 5: The subsidiaries were liquidated in 2023.

Note 6: In addition to the 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 the Group, along with the shares under proxy agreement, exceeded half of the total shares of Bluechip, resulting in the Group to obtain control over Bluechip.

Note 7: In addition to the equity ownership held directly and indirectly by the Group in SPE, the Group acquired more than half of the voting rights of SPE through written agreements among the shareholders of SPE, and the Group had the authority to control the daily operation of SPE. Therefore, the Group had the substantial ability to lead relevant activities of SPE and thus incorporated it into the Group’s subsidiaries.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 8: SFT was originally a joint venture of the Company. On December 27, 2023, the Company acquired the remaining shares of SFT from another joint venture party and SFT has since become wholly-owned subsidiary of the Company.

(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 respective functional currencies of Group entities at the exchange rates 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 the 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 based on 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 measured 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 using the exchange rates of 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 using 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 are 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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(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.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 (SPPI) 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 (SPPI) 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).

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

All financial assets not classified as measured at amortized cost or at FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) 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.

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.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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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 policies 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).

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.

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ACER INCORPORATED AND SUBSIDIARIES
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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.

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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

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- 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.

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.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 13 years; developed technology - 10 years; channel resources - 8.8 to 12 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.

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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.

(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.

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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.

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.

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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.

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 fulfill 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 fulfill 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.

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(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.

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ACER INCORPORATED AND SUBSIDIARIES
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(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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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.

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Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;
- (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.

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

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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 IFRS Accounting Standards 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.

The Group recognizes the acquisition-date fair value of the contingent consideration as part of the consideration transferred. The cost of the acquisition and measuring goodwill will retrospectively be adjusted when some changes in the fair value of contingent consideration that the Group recognizes have been made after the acquisition date. Measurement period adjustments is the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date. The Group accounts for the changes in the fair value of contingent consideration that are not measurement period adjustments based on the classification of contingent consideration. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement will be accounted for within equity. Others will be measured at fair value at each reporting date and changes in fair value will be recognized in profit or loss.

(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.

(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.

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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 allowance)

The Group records a refund liability for estimated future allowances in the same period the related revenue is recognized. Refund liability for estimated sales 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(d) 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

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Cash on hand	\$ 3,856	4,199
Bank deposits	23,024,339	23,151,170
Time deposits with original maturities less than three months	<u>25,105,933</u>	<u>23,687,533</u>
	<u>\$ 48,134,128</u>	<u>46,842,902</u>

As of December 31, 2023 and December 31, 2022, the time deposits with original maturities between three months and one year amounted to \$6,885,203 and \$345,879 respectively, which were classified as other financial assets—current.

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

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Financial assets mandatorily measured at fair value through profit or loss—current:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 63,471	159,488
Foreign currency option contracts	2,506	1,681
Non-derivative financial assets		
Stocks listed on foreign markets	817	2,661
Open-end funds	<u>73,764</u>	<u>771,292</u>
	<u>\$ 140,558</u>	<u>935,122</u>
Financial liabilities held for trading:		
Derivatives – Foreign currency forward contracts	\$ (735,393)	(1,000,700)
Derivatives – Foreign currency option contracts	(23,919)	(8,508)
Financial liabilities measured at fair value through profit or loss:		
Contingent consideration arising from business combinations or investment in associates	<u>(28,491)</u>	<u>(11,049)</u>
	<u>\$ (787,803)</u>	<u>(1,020,257)</u>
Current	\$ (787,803)	(1,015,407)
Non-current	<u>-</u>	<u>(4,850)</u>
	<u>\$ (787,803)</u>	<u>(1,020,257)</u>

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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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, 2023			
Contract amount		Currency	Maturity period
(in thousands)			
USD	59,772	AUD / USD	2024/01~2024/05
USD	1,361	AUD / NTD	2024/03
USD	8,796	EUR / CHF	2024/02~2024/04
USD	7,754	EUR / NOK	2024/01~2024/05
USD	6,825	EUR / SEK	2024/01
USD	126,327	EUR / USD	2024/01~2024/05
USD	1,633	EUR / NTD	2024/01~2024/02
USD	45,231	EUR / PLN	2024/01~2024/05
USD	76,616	GBP / USD	2024/01~2024/08
USD	2,278	NZD / USD	2024/01~2024/02
USD	39,712	USD / CAD	2024/01~2024/03
USD	2,550	USD / CLP	2024/02~2024/03
USD	1,000	USD / CNY	2024/01
USD	78,400	USD / IDR	2024/01~2024/05
USD	179,018	USD / INR	2024/01~2024/10
USD	56,499	USD / JPY	2024/01~2024/12
USD	11,000	USD / MXN	2024/01~2024/03
USD	22,879	USD / MYR	2024/01~2024/03
USD	533,875	USD / NTD	2024/01~2024/02
USD	21,473	USD / PHP	2024/01~2024/04
USD	10,000	USD / SGD	2024/01~2024/04
USD	35,021	USD / THB	2024/01~2024/03
USD	57	NTD / JPY	2024/02
USD	1,057	NTD / SGD	2024/03

(Continued)

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December 31, 2022

Contract amount		Currency		Maturity period
(in thousands)				
USD	61,017	AUD	/ USD	2023/01~2023/04
USD	1,326	AUD	/ NTD	2023/02~2023/03
USD	566	EUR	/ 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

(ii) Foreign currency option contracts

December 31, 2023

Contract amount		Maturity period
(in thousands)		
USD / CNY	USD 39,300	2024/01~2024/05

December 31, 2022

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

(Continued)

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

	December 31, 2023	December 31, 2022
Notes receivable	\$ 240,555	327,462
Accounts receivable	52,133,101	51,137,567
Less: loss allowance	<u>(179,465)</u>	<u>(142,992)</u>
	52,194,191	51,322,037
Accounts receivable from related parties (note 7(b))	<u>114,041</u>	<u>41,821</u>
	<u>\$ 52,308,232</u>	<u>51,363,858</u>

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, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 46,041,467	0.10%	(45,562)
Past due 1-30 days	5,334,286	0.64%	(34,056)
Past due 31-60 days	711,561	1.93%	(13,737)
Past due 61-90 days	104,473	12.45%	(13,011)
Past due 91-180 days	125,466	32.16%	(40,352)
Past due 181 days or over	<u>56,403</u>	58.06%	<u>(32,747)</u>
	<u>\$ 52,373,656</u>		<u>(179,465)</u>
	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	<u>23,876</u>	90.67%	<u>(21,649)</u>
	<u>\$ 51,465,029</u>		<u>(142,992)</u>

As of December 31, 2023 and 2022, no expected credit losses was provided for accounts receivable from related parties after management's assessment.

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ACER INCORPORATED AND SUBSIDIARIES
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Movements of the allowance for notes and accounts receivable were as follows:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 142,992	120,763
Impairment losses recognized	39,932	20,735
Write-off	(3,113)	(4,218)
Effect of exchange rate changes	(346)	5,712
Balance at December 31	<u>\$ 179,465</u>	<u>142,992</u>

(d) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Raw materials	\$ 14,160,680	13,048,547
Work in process	315,931	57,117
Finished goods and merchandise	19,302,064	22,151,378
Spare parts	748,058	1,009,184
Inventories in transit	9,026,339	5,946,851
	<u>\$ 43,553,072</u>	<u>42,213,077</u>

For the years ended December 31, 2023 and 2022, the amounts of inventories recognized as cost of revenue were \$199,321,245 and \$225,668,269, respectively, of which \$(2,027,768) and \$1,914,349, respectively, were the write-down of inventories (reversal of write-downs). The write-downs arose from the write-down of inventories to net realizable value. The reversal of write-downs arose from the increase in the net realizable value or sale of inventories, and the circumstance of net realizable value of inventory to be lower than its cost no longer existed.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity investments measured at fair value through other comprehensive income		
Domestic listed stock	\$ 11,055,296	6,713,753
Unlisted stock	846,133	890,208
	<u>\$ 11,901,429</u>	<u>7,603,961</u>

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 2023 and 2022. The realized gain (loss) accumulated in other comprehensive income of \$3,233,678 and \$(43,825) have been reclassified from other equity to retained earnings.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (f) Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Fixed Rate Corporate Bonds	\$ 4,675,584	797,782
Current	\$ 461,025	-
Non-current	4,214,559	797,782
	\$ 4,675,584	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.

- (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, 2023		December 31, 2022	
	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount
Associates :				
GrandPad Inc. ("GrandPAD")	28.85	\$ 159,195	28.85	182,967
Apex Material Technology Corp. ("AMTC")	7.25	328,904	6.73	348,266
Antung Trading Corporation ("ANT")	11.79	331,600	11.79	317,502
Shine Passion Engineering Co., Ltd ("SPE", note (ii))	-	-	19.25	110,277
Others	-	272,163	-	161,630
Joint Venture:				
Smart Frequency Technology Inc. ("SFT", note(i) and note (iii))	-	-	55.00	53,732
Haoru Electric Co., Ltd ("HRC", note(i))	60.00	300,081	-	-
		\$ 1,391,943		1,174,374

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

Note (ii): As of January 1, 2023, SPE has become a subsidiary of the Group. Please refer to notes 4 for further details.

Note (iii): As of December 27, 2023, SFT has become a subsidiary of the Group. Please refer to notes 4 for further details.

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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.

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

	<u>2023</u>	<u>2022</u>
Attributable to the Group:		
Net income	\$ 55,565	138,691
Other comprehensive income (loss)	<u>(484)</u>	<u>221</u>
Total comprehensive income	<u><u>\$ 55,081</u></u>	<u><u>138,912</u></u>

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

	<u>2023</u>	<u>2022</u>
Attributable to the Group:		
Net loss	\$ (8,730)	(17,868)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss	<u><u>\$ (8,730)</u></u>	<u><u>(17,868)</u></u>

(h) Subsidiaries

(i) Acquisition of Winking Studios Limited by AGM

1) Consideration transferred

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

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

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ACER INCORPORATED AND SUBSIDIARIES
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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)		247,856
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		188,916
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		(58,731)
		<u>550,300</u>
Goodwill	\$	<u><u>339,100</u></u>

The Group continued to review the above provisional amounts during the measurement period. In 2023, the Group adjusted intangible asset– customer relationships, other current liabilities, and deferred income tax liabilities to increase by \$3,378, \$2,633, and \$675, respectively, and adjusted other current assets and non-controlling interest to decrease by \$9,289 and \$4,153, resulting in an increase of \$5,066 in goodwill.

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ACER INCORPORATED AND SUBSIDIARIES
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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 WKS, the synergies of the business combination, future market development and value of workforce. None of goodwill recognized is expected to be deductible for income tax purposes.

(ii) 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 listed as follows:

	<u>2023</u>	<u>2022</u>
Capital surplus – arising from changes in ownership interests in subsidiaries	\$ (117,115)	154,065
Capital surplus – arising from difference between consideration and carrying amount of subsidiaries acquired or disposed.	<u>(19,538)</u>	<u>12,345</u>
	<u><u>\$ (136,653)</u></u>	<u><u>166,410</u></u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Computer and communication equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance at January 1, 2023	\$ 2,000,463	4,275,285	1,978,525	2,700,337	40,841	10,995,451
Acquisition through business combination	-	-	14,664	20,692	-	35,356
Additions	607	36,646	257,069	107,507	102,709	504,538
Disposals	-	(50,793)	(162,208)	(530,493)	-	(743,494)
Reclassification to investment property	-	(2,944)	-	-	-	(2,944)
Other reclassification and effect of exchange rate changes	(3,062)	21,114	45,225	175,055	(37,413)	200,919
Balance at December 31, 2023	<u>\$ 1,998,008</u>	<u>4,279,308</u>	<u>2,133,275</u>	<u>2,473,098</u>	<u>106,137</u>	<u>10,989,826</u>
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	<u>\$ 2,000,463</u>	<u>4,275,285</u>	<u>1,978,525</u>	<u>2,700,337</u>	<u>40,841</u>	<u>10,995,451</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2023	\$ 337,698	2,887,566	1,415,512	2,055,788	-	6,696,564
Acquisition through business combination	-	-	11,504	8,781	-	20,285
Depreciation	-	60,014	166,552	146,354	-	372,920
Disposals	-	(42,671)	(154,023)	(493,516)	-	(690,210)
Reclassification to investment property	-	(1,340)	-	-	-	(1,340)
Other reclassification and effect of exchange rate changes	-	7,798	31,354	128,630	-	167,782
Balance at December 31, 2023	<u>\$ 337,698</u>	<u>2,911,367</u>	<u>1,470,899</u>	<u>1,846,037</u>	<u>-</u>	<u>6,566,001</u>
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	<u>\$ 337,698</u>	<u>2,887,566</u>	<u>1,415,512</u>	<u>2,055,788</u>	<u>-</u>	<u>6,696,564</u>
Carrying amounts:						
Balance at December 31, 2023	<u>\$ 1,660,310</u>	<u>1,367,941</u>	<u>662,376</u>	<u>627,061</u>	<u>106,137</u>	<u>4,423,825</u>
Balance at December 31, 2022	<u>\$ 1,662,765</u>	<u>1,387,719</u>	<u>563,013</u>	<u>644,549</u>	<u>40,841</u>	<u>4,298,887</u>

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 lands 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

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2023	\$ 21,947	3,286,907	189,998	3,498,852
Acquisition through business combination	-	6,247	-	6,247
Additions	-	587,010	87,061	674,071
Disposals	(3,731)	(587,564)	(117,336)	(708,631)
Effect of exchange rates changes	413	177,972	5,941	184,326
Balance at December 31, 2023	<u>\$ 18,629</u>	<u>3,470,572</u>	<u>165,664</u>	<u>3,654,865</u>
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	<u>\$ 21,947</u>	<u>3,286,907</u>	<u>189,998</u>	<u>3,498,852</u>
Accumulated depreciation:				
Balance at January 1, 2023	\$ 12,510	1,400,035	116,943	1,529,488
Acquisition through business combination	-	959	-	959
Depreciation	5,480	689,942	51,271	746,693
Disposals	(3,731)	(579,487)	(102,723)	(685,941)
Effect of exchange rates changes	231	132,844	5,941	139,016
Balance at December 31, 2023	<u>\$ 14,490</u>	<u>1,644,293</u>	<u>71,432</u>	<u>1,730,215</u>
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	<u>\$ 12,510</u>	<u>1,400,035</u>	<u>116,943</u>	<u>1,529,488</u>
Carrying amount:				
Balance at December 31, 2023	<u>\$ 4,139</u>	<u>1,826,279</u>	<u>94,232</u>	<u>1,924,650</u>
Balance at December 31, 2022	<u>\$ 9,437</u>	<u>1,886,872</u>	<u>73,055</u>	<u>1,969,364</u>

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ACER INCORPORATED AND SUBSIDIARIES
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(k) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 862,788	2,197,796	3,060,584
Acquisition through business combination	16,696	10,743	27,439
Additions	-	11,728	11,728
Reclassification from property, plant and equipment	-	2,944	2,944
Balance at December 31, 2023	<u>\$ 879,484</u>	<u>2,223,211</u>	<u>3,102,695</u>
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	<u>\$ 862,788</u>	<u>2,197,796</u>	<u>3,060,584</u>
Accumulated depreciation and impairment loss:			
Balance at January 1, 2023	\$ 291,388	1,937,271	2,228,659
Acquisition through business combination	-	762	762
Depreciation	-	10,254	10,254
Reclassification from property, plant and equipment	-	1,340	1,340
Balance at December 31, 2023	<u>\$ 291,388</u>	<u>1,949,627</u>	<u>2,241,015</u>
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	<u>\$ 291,388</u>	<u>1,937,271</u>	<u>2,228,659</u>
Carrying amounts:			
Balance at December 31, 2023	<u>\$ 588,096</u>	<u>273,584</u>	<u>861,680</u>
Balance at December 31, 2022	<u>\$ 571,400</u>	<u>260,525</u>	<u>831,925</u>
Fair value:			
Balance at December 31, 2023			<u>\$ 1,299,724</u>
Balance at December 31, 2022			<u>\$ 1,251,802</u>

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, 2023 and 2022, the estimated discount rate used for calculating the present value of the future cash flows was 6.57% and 6.83%, 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)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Intangible assets

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

	<u>Goodwill</u>	<u>Trademarks and trade names</u>	<u>Others</u>	<u>Total</u>
Net balance at January 1, 2023:				
Cost	\$ 25,945,854	10,241,387	11,338,192	47,525,433
Accumulated amortization and impairment loss	<u>(8,457,293)</u>	<u>(10,240,614)</u>	<u>(10,296,935)</u>	<u>(28,994,842)</u>
Net balance at January 1, 2023	<u>17,488,561</u>	<u>773</u>	<u>1,041,257</u>	<u>18,530,591</u>
Movements during the period:				
Additions	-	-	483,472	483,472
Acquisition through business combination	83,685	-	128,188	211,873
Adjustment of business combination during the measurement period	121,892	-	(64,180)	57,712
Reclassification	-	-	(242)	(242)
Amortization	-	(93)	(421,929)	(422,022)
Impairment loss	-	-	(1)	(1)
Effect of exchange rate changes	<u>(14,274)</u>	<u>2</u>	<u>8,221</u>	<u>(6,051)</u>
Net balance at December 31, 2023	<u>\$ 17,679,864</u>	<u>682</u>	<u>1,174,786</u>	<u>18,855,332</u>
Net balance at December 31, 2023:				
Cost	\$ 26,147,014	10,178,563	11,597,712	47,923,289
Accumulated amortization and impairment loss	<u>(8,467,150)</u>	<u>(10,177,881)</u>	<u>(10,422,926)</u>	<u>(29,067,957)</u>
	<u>\$ 17,679,864</u>	<u>682</u>	<u>1,174,786</u>	<u>18,855,332</u>
Net balance at January 1, 2022:				
Cost	\$ 23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss	<u>(7,649,842)</u>	<u>(10,190,459)</u>	<u>(10,145,530)</u>	<u>(27,985,831)</u>
Net balance at January 1, 2022	<u>15,816,967</u>	<u>671</u>	<u>709,645</u>	<u>16,527,283</u>
Movements during the period:				
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	<u>1,292,147</u>	<u>14</u>	<u>28,699</u>	<u>1,320,860</u>
Net balance at December 31, 2022	<u>\$ 17,488,561</u>	<u>773</u>	<u>1,041,257</u>	<u>18,530,591</u>
Net balance at December 31, 2022:				
Cost	\$ 25,945,854	10,241,387	11,338,192	47,525,433
Accumulated amortization and impairment loss	<u>(8,457,293)</u>	<u>(10,240,614)</u>	<u>(10,296,935)</u>	<u>(28,994,842)</u>
	<u>\$ 17,488,561</u>	<u>773</u>	<u>1,041,257</u>	<u>18,530,591</u>

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

	<u>2023</u>	<u>2022</u>
Cost of revenue	\$ 289,419	250,507
Operating expenses	132,603	91,507
Non-operating income and loss	<u>1</u>	<u>7,503</u>
	<u>\$ 422,023</u>	<u>349,517</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Impairment test on goodwill and other intangible assets

The Group re-identified its CGUs due to the organizational restructuring in 2023, wherein RO-China was integrated into RO-PAP and related intangible assets were reallocated from RO-China to RO-PAP. 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:

	<u>RO-EMEA</u>	<u>RO-PA</u>	<u>RO-PAP</u>	<u>RO-China</u>	<u>Other CGUs without significant goodwill</u>	<u>Total</u>
Balance at January 1, 2023	\$ 9,761,331	1,574,750	3,195,448	2,317,908	639,124	17,488,561
Acquisition through business combination	-	-	-	-	205,577	205,577
Reclassification	-	-	2,317,908	(2,317,908)	-	-
Effect of exchange rate changes	38,282	1,290	(54,241)	-	395	(14,274)
Balance at December 31, 2023	<u>\$ 9,799,613</u>	<u>1,576,040</u>	<u>5,459,115</u>	<u>-</u>	<u>845,096</u>	<u>17,679,864</u>
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	<u>\$ 9,761,331</u>	<u>1,574,750</u>	<u>3,195,448</u>	<u>2,317,908</u>	<u>639,124</u>	<u>17,488,561</u>

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 (before taxes) used to determine the value in use for each CGU were as follows:

	<u>RO-EMEA</u>	<u>RO-PA</u>	<u>RO-PAP</u>	<u>RO-China</u>
December 31, 2023	15.4 %	9.9 %	15.5 %	-
December 31, 2022	15.7 %	11.1 %	16.3 %	14.9 %

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

Based on the impairment assessments conducted in 2023 and 2022, no impairment losses were recognized as the recoverable amount of CGUs were higher than their carrying amounts.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) Other current assets

	December 31, 2023	December 31, 2022
Overpaid VAT retained for offsetting against future tax payable	\$ 1,927,977	2,336,866
Advance on procurement	364,299	131,876
Prepaid royalty and other prepayments	1,319,868	634,362
Right of goods to be returned	400,896	496,521
Others	39,397	36,482
	\$ 4,052,437	3,636,107

(ii) Other non-current assets

	December 31, 2023	December 31, 2022
Overpaid VAT retained for offsetting against future tax payable	\$ 47,295	77,815
Prepaid income tax	1,991,014	1,986,859
Prepaid royalty and other prepayments	34,238	45,232
Assets recognized from costs to fulfill contracts with customers	522,106	194,594
Others	81,610	83,098
	\$ 2,676,263	2,387,598

(n) Short-term borrowings

	December 31, 2023	December 31, 2022
Bank overdraft	\$ -	2,590
Unsecured bank loans	683,513	1,451,697
Secured bank loans	293,114	197,799
	\$ 976,627	1,652,086
Unused credit facilities	\$ 40,225,743	39,615,678
Interest rate	0.50%~7.29%	1.65%~6.87%

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Long-term debt

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured loan	\$ -	1,006
Secured loan	1,604,553	161,487
Less: current portion of long-term debt	<u>(39,518)</u>	<u>(58,017)</u>
	<u>\$ 1,565,035</u>	<u>104,476</u>
Unused credit facilities	<u>\$ 4,773,500</u>	<u>4,770,800</u>
Interest rates	<u>1.70%~6.25%</u>	<u>1.87%~6.25%</u>
Maturity year	<u>113~122</u>	<u>112~114</u>

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

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured bonds payable	<u>\$ 10,000,000</u>	<u>10,000,000</u>

On April 27, 2021, the Company issued \$5,000,000 of unsecured corporate bonds at par value. The bonds have 5-year term and are repayable on maturity. The bonds bear 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 corporate 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 bear 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:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Current	<u>\$ 613,488</u>	<u>613,263</u>
Non-current	<u>\$ 1,486,249</u>	<u>1,495,786</u>

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	\$ <u>40,677</u>	<u>38,738</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>109,633</u>	<u>90,651</u>
Expenses relating to short-term leases	\$ <u>48,159</u>	<u>41,099</u>
Expenses relating to leases of low-value assets	\$ <u>2,027</u>	<u>4,736</u>

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

	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	\$ <u>945,207</u>	<u>827,442</u>

(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

	<u>Warranties</u>	<u>Litigation</u>	<u>Environmental protection and others</u>	<u>Total</u>
Balance at January 1, 2023	\$ 6,405,540	293,868	232,878	6,932,286
Additions and reversals	3,580,977	(83,656)	135,953	3,633,274
Amount utilized	(3,883,382)	(138,760)	(113,218)	(4,135,360)
Effect of exchange rate changes	38,663	11,457	(64)	50,056
Balance at December 31, 2023	\$ <u>6,141,798</u>	<u>82,909</u>	<u>255,549</u>	<u>6,480,256</u>
Current	\$ 6,141,798	82,909	241,317	6,466,024
Non-current	-	-	14,232	14,232
	\$ <u>6,141,798</u>	<u>82,909</u>	<u>255,549</u>	<u>6,480,256</u>
Balance at January 1, 2022	\$ 6,080,590	282,693	240,026	6,603,309
Additions and reversals	4,180,422	2,875	121,042	4,304,339
Amount utilized	(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	\$ <u>6,405,540</u>	<u>293,868</u>	<u>232,878</u>	<u>6,932,286</u>
Current	\$ 6,405,540	293,868	217,582	6,916,990
Non-current	-	-	15,296	15,296
	\$ <u>6,405,540</u>	<u>293,868</u>	<u>232,878</u>	<u>6,932,286</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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) 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.

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

	December 31, 2023	December 31, 2022
Less than 1 year	\$ 70,907	24,912
1 year to 2 years	53,206	29,957
2 years to 3 years	34,778	24,860
3 years to 4 years	32,461	18,039
4 years to 5 years	23,732	15,760
Over 5 years	86,097	39,008
Total undiscounted lease payments	\$ 301,181	152,536

In 2023 and 2022, the rental income from investment property amounting to \$34,566 and \$36,107, 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:

	2023	2022
Arising from investment property that generated rental income during the period	\$ 29,433	29,811
Arising from investment property that did not generate rental income during the period	6,010	7,816
	\$ 35,443	37,627

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 2023	December 31, 2022
Present value of benefit obligations	\$ 2,660,934	2,742,742
Fair value of plan assets	<u>(1,184,287)</u>	<u>(1,340,916)</u>
Net defined benefit liabilities (reported under other non-current liabilities)	<u>\$ 1,476,647</u>	<u>1,401,826</u>
	December 31, 2023	December 31, 2022
Present value of benefit obligations	\$ 12,367	12,002
Fair value of plan assets	<u>(72,040)</u>	<u>(70,527)</u>
Net defined benefit assets (reported under other non-current assets)	<u>\$ (59,673)</u>	<u>(58,525)</u>

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, ENCH, ENIT, 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.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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, 2023 and 2022, the Group's fair value of plan assets, by major categories, was as follows:

	December 31, 2023	December 31, 2022
Cash	\$ 369,516	446,957
Equity instruments	495,832	531,806
Instruments with fixed return	119,434	126,350
Real estate	271,545	306,330
	<u>\$ 1,256,327</u>	<u>1,411,443</u>

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.

2) Movements in present value of the defined benefit obligations

	2023	2022
Defined benefit obligations at January 1	\$ 2,754,744	3,047,303
Current service costs	130,516	195,043
Interest expense	47,835	18,813
Remeasurement on the net defined benefit liabilities (assets):		
Actuarial loss (gain) arising from experience adjustments	8,890	(77,667)
Actuarial loss (gain) arising from changes in demographic assumption	(380)	481
Actuarial loss (gain) arising from changes in financial assumption	23,320	(427,807)
Benefits paid by the Group and the plan	(413,394)	(99,052)
Past service costs and settlement loss (gain)	(3,841)	(13,886)
Settlement	-	(53,520)
Contributions by plan participants	27,056	19,635
Effect of exchange rate changes	98,555	145,401
Defined benefit obligations at December 31	<u>\$ 2,673,301</u>	<u>2,754,744</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Movements in fair value of plan assets

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 1,411,443	1,228,708
Interest income	20,042	4,981
Remeasurement on the net defined benefit liabilities (assets):		
Return on plan assets (excluding amounts included in net interest expense)	(4,152)	82,287
Benefits paid by the plan	(392,124)	(81,958)
Contributions by plan participants	27,056	19,635
Contributions by the employer	105,712	119,202
Loss on curtailment	(6,645)	(5,025)
Settlement	-	(44,063)
Effect of exchange rate changes	94,995	87,676
Fair value of plan assets at December 31	<u>\$ 1,256,327</u>	<u>1,411,443</u>

4) Changes in the effect of the asset ceiling

In 2023 and 2022, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

	<u>2023</u>	<u>2022</u>
Current service costs	\$ 130,516	195,043
Net interest expense	27,793	13,832
Past service costs and settlement loss (gain)	(3,841)	(13,886)
Loss on curtailment	6,645	5,025
	<u>\$ 161,113</u>	<u>200,014</u>
Classified under cost of revenue	\$ 10,688	12,375
Classified under operating expense	150,425	187,639
	<u>\$ 161,113</u>	<u>200,014</u>

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.10%~7.36%	0.625%~7.45%
Future salary increases rate	2.00%~6.70%	1.50%~7.00%

The weighted-average duration of the defined benefit plans ranges from 5 years to 30 years. The Group expects to make contribution of \$113,476 to the defined benefit plans in the year following December 31, 2023.

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ACER INCORPORATED AND SUBSIDIARIES
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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, 2023		December 31, 2022	
	0.25%	0.25%	0.25%	0.25%
	Increase	Decrease	Increase	Decrease
Discount rate	<u>\$ (68,761)</u>	<u>74,256</u>	<u>(77,009)</u>	<u>58,321</u>
Future salary change	<u>\$ 39,542</u>	<u>(35,955)</u>	<u>28,147</u>	<u>(48,786)</u>

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.

(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, 2023 and 2022, the Group recognized pension expenses of \$454,309 and \$393,144, respectively, in relation to the defined contribution plans.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 2023 and 2022. 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:

	<u>2023</u>	<u>2022</u>
Current income tax expense		
Current period	\$ 1,491,905	2,024,117
Adjustments for prior years	<u>63,625</u>	<u>(3,706)</u>
	<u>1,555,530</u>	<u>2,020,411</u>
Deferred tax expense		
Origination and reversal of temporary differences	924,835	(428,737)
Change in unrecognized deductible temporary differences	<u>(312,734)</u>	<u>678,855</u>
	<u>612,101</u>	<u>250,118</u>
Income tax expense	<u>\$ 2,167,631</u>	<u>2,270,529</u>

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

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	<u>\$ 3,280</u>	<u>(34,430)</u>

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:

	<u>2023</u>	<u>2022</u>
Income before taxes	<u>\$ 7,798,795</u>	<u>7,873,821</u>
Income tax using the Company's statutory tax rate	\$ 1,559,759	1,574,764
Effect of different tax rates in foreign jurisdictions	252,094	713,287
Adjustments for prior-year income tax expense	63,625	(3,706)
Change in unrecognized temporary differences and tax losses	(312,734)	678,855
Additional income tax under the Alternative Minimum Tax Act	197,914	7,054
Others	<u>406,973</u>	<u>(699,725)</u>
	<u>\$ 2,167,631</u>	<u>2,270,529</u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	December 31, 2023	December 31, 2022
Tax losses	\$ 4,979,821	4,057,145
Loss associated with investments in subsidiaries	2,270,161	2,258,231
Deductible temporary differences	<u>1,585,570</u>	<u>3,387,583</u>
	<u>\$ 8,835,552</u>	<u>9,702,959</u>

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, 2023, the tax effects of unused tax losses and the respective expiry years were as follows:

Tax effects of tax losses	Year of expiry
\$ 100,616	2024
176,456	2025
17,195	2026
40,336	2027
<u>4,645,218</u>	2028 and thereafter
<u>\$ 4,979,821</u>	

2) Unrecognized deferred income tax liabilities

	December 31, 2023	December 31, 2022
Net profits associated with investments in subsidiaries	\$ <u>356,102</u>	<u>910,775</u>

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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	<u>Inventory</u>	<u>Accrued expenses and provisions</u>	<u>Unused tax loss carryforwards</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2023	\$ 160,263	3,445,931	51,250	47,944	3,705,388
Acquisition through business combination	-	-	-	600	600
Recognized in profit or loss	13,456	(184,212)	25,997	225,142	80,383
Recognized in other comprehensive income	-	-	-	3,280	3,280
Effect of exchange rate changes	-	-	-	(5,329)	(5,329)
Balance at December 31, 2023	<u>\$ 173,719</u>	<u>3,261,719</u>	<u>77,247</u>	<u>271,637</u>	<u>3,784,322</u>
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	<u>\$ 160,263</u>	<u>3,445,931</u>	<u>51,250</u>	<u>47,944</u>	<u>3,705,388</u>

Deferred income tax liabilities:

	<u>Unremitted earnings from subsidiaries</u>	<u>Unrealized foreign exchange gain on financial instruments</u>	<u>Intangible assets</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2023	\$ 4,628,902	9,537	344,331	42,485	5,025,255
Acquisition through business combination	-	-	-	268	268
Adjustment of business combination during the measurement period	-	-	675	-	675
Recognized in other comprehensive income (loss)	690,251	1,503	(11,400)	12,130	692,484
Balance at December 31, 2023	<u>\$ 5,319,153</u>	<u>11,040</u>	<u>333,606</u>	<u>54,883</u>	<u>5,718,682</u>
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	<u>\$ 4,628,902</u>	<u>9,537</u>	<u>344,331</u>	<u>42,485</u>	<u>5,025,255</u>

(iii) No income tax expense was recognized directly in equity in 2023 and 2022.

(iv) The Company's income tax returns for the years through 2021 were examined and approved by the R.O.C. income tax authorities.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Capital and other equity

(i) Common stock

As of December 31, 2023 and 2022, the Company had issued 5,558 thousand units and 5,664 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, 2023 and 2022, 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):

	<u>2023</u>	<u>2022</u>
Balance at January 1	3,001,108	3,001,108
Disposal of the Company's share by subsidiaries recognized as treasury share transactions	<u>5,100</u>	<u>-</u>
Balance at December 31	<u><u>3,006,208</u></u>	<u><u>3,001,108</u></u>

(ii) Capital surplus

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Paid-in capital in excess of par value	\$ 10,095,202	10,094,950
Surplus from mergers	15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend	872,507	729,273
Difference between consideration and carrying amount of subsidiaries acquired or disposed	240,108	259,646
Employee share options	90,000	90,000
Surplus from equity-method investments	<u>710,114</u>	<u>824,769</u>
	<u><u>\$ 27,805,176</u></u>	<u><u>27,795,883</u></u>

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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Additionally, on June 6, 2023, the Company's shareholders approved an appropriation of legal reserve of \$495,986 and a reversal of special reserve of \$84,251.

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, in New Taiwan Dollars), 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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On March 14, 2024, the Company's Board of Directors had approved the distribution of cash dividends amounting to \$4,876,566 (\$1.6 per share, in New Taiwan Dollars), of which \$66,634 was distributed to the subsidiaries holding the Company's common shares.

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

(iv) Treasury stock

As of December 31, 2023 and 2022, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiaries CCI and ASCBVI, the Company's common stock held by subsidiaries CCI (to maintain the Company's shareholders' equity), ASCBVI (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, 2023		
	Number of shares	Carrying amount	Market value
Common stock	16,709	\$ 743,157	898,944
GDRs	24,937	1,969,617	1,226,316
	41,646	\$ 2,712,774	2,125,260
	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

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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ (4,219,903)	(8,805,597)
Foreign exchange differences arising from translation of foreign operations	422,774	4,596,004
Share of other comprehensive income (loss) of associates	(1,209)	(176)
Organizational restructuring under common control	-	(11,702)
Liquidation of subsidiaries	-	1,855
Changes in ownership interests in subsidiaries	<u>(1,364)</u>	<u>(287)</u>
Balance at December 31	<u>\$ (3,799,702)</u>	<u>(4,219,903)</u>

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

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ (409,726)	746,183
Change in fair value of financial assets measured at fair value through other comprehensive income	7,813,884	(1,204,929)
Net loss (gain) on disposal of financial assets measured at fair value through other comprehensive income	(3,233,678)	43,825
Changes in ownership interests in subsidiaries	<u>(431)</u>	<u>5,195</u>
Balance at December 31	<u>\$ 4,170,049</u>	<u>(409,726)</u>

3) Remeasurement of defined benefit plans:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 320,376	(228,210)
Changes in the period	(25,814)	535,623
Reorganization under common control	-	5,483
Share of other comprehensive income of associates	1	(6)
Changes in ownership interests in subsidiaries	<u>(312)</u>	<u>7,486</u>
Balance at December 31	<u>\$ 294,251</u>	<u>320,376</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 4,486,738	2,346,227
Equity attributable to non-controlling interests:		
Net income for the year	699,220	599,604
Changes in ownership interests in subsidiaries	119,222	(166,459)
Acquisition and disposal of interests in subsidiaries	84,859	22,986
Difference between consideration and carrying amount of subsidiaries acquired or disposed	19,538	(12,345)
Stock option compensation cost of subsidiaries	4,851	18,407
Acquisition of subsidiaries	220,553	278,873
Increase in non-controlling interests	429,281	1,616,281
Reorganization under common control	(252)	(2,083)
Cash dividends paid to non-controlling interests by subsidiaries	(426,594)	(207,441)
Foreign currency translation differences	(14,178)	632
Unrealized loss from financial assets measured at fair value through other comprehensive income	(1,533)	(16,953)
Remeasurement of defined benefit plans	(6,888)	17,227
Changes in equity of investments in associates	724	(8,218)
Balance at December 31	<u>\$ 5,615,541</u>	<u>4,486,738</u>

(w) Share-based payment

The Group's share-based payment arrangements in 2023 and 2022 were as follows:

(i) Restricted stock of ACSI

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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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, 2023, 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, in New Taiwan Dollars, 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.

(ii) Issuance of new shares reserved for employee subscription

<u>Issuer</u>	<u>Grant Date</u>	<u>Numbers of options granted (in thousands of shares)</u>	<u>Contract period</u>
AST (2022)	2022/02/22	1,045.5	2022/02/23 ~ 2022/03/02
AGM	2022/03/16	2,250	2022/03/16 ~ 2022/04/22
AGT (2022)	2022/05/16	4,500	2022/05/16 ~ 2022/06/17
ACSI	2022/05/20	222	2022/05/20 ~ 2022/06/23
AMED	2022/08/01	5	2022/11/24 ~ 2022/12/26
AEB	2022/08/02	750	2022/08/02
PAM	2022/10/19	893	2022/10/19 ~ 2022/10/24
MPS	2022/11/04	600	2022/11/12 ~ 2022/11/28
AGT (2023)	2023/04/25	279	2023/04/25 ~ 2023/05/24
ASM	2023/05/24	1,200	2023/05/24 ~ 2023/06/16
AST (2023)	2023/07/19	330	2023/07/19 ~ 2023/07/28
AOI	2023/07/24	537	2023/07/24 ~ 2023/08/18

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

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	<u>AST (2022)</u>	<u>AGM</u>	<u>AGT (2022)</u>	<u>ACSI</u>	<u>AMED</u>	<u>AEB</u>
Fair value of options granted (NT\$/ share)	-	0.07	0.003449	13	6.26	10.3
Fair value of stock at grant date (NT\$/ share)	33.34	16.15	13.66	109	68	120.3
Exercise price (NT\$/ share)	45	18	18	96	62	110
Expected volatility (%)	27.0986%	27.01%	37.77%	28.33%	23.82%	24.17%
Expected life (in years)	0.0137	0.1	0.085	0.0931	0.0904	0.002
Risk-free interest rate (%)	0.2904%	0.26%	0.7260%	0.63%	0.95%	0.65%

	<u>PAM</u>	<u>MPS</u>	<u>AGT (2023)</u>	<u>ASM</u>	<u>AST (2023)</u>	<u>AOI</u>
Fair value of options granted (NT\$/ share)	0	0.008224	0.444284	0.29469	0.0076	7.09
Fair value of stock at grant date (NT\$/ share)	32.24	9.84	24.82	12.63	75.68	72
Exercise price (NT\$/ share)	43	11	26	13	90	68
Expected volatility (%)	33.84%	28.8889%	31.31%	36.9728%	42.1268%	65.72%
Expected life (in years)	0.016	0.0438	0.082	0.0575	0.0247	0.0685
Risk-free interest rate (%)	1.325%	1.0724%	0.933%	0.9927%	1.0329%	1.10%

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, 2023 and 2022, the compensation cost recognized for the abovementioned share-based payment arrangements amounted to \$5,671 and \$20,757, respectively.

(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:

	<u>2023</u>	<u>2022</u>
Net income attributable to the ordinary shareholders of the Parent	<u>\$ 4,931,944</u>	<u>5,003,688</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>3,001,145</u>	<u>3,001,108</u>
Basic earnings per share (in New Taiwan dollars)	<u>\$ 1.64</u>	<u>1.67</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Net income attributable to the ordinary shareholders of the Parent	\$ <u>4,931,944</u>	<u>5,003,688</u>
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,145	3,001,108
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	<u>12,512</u>	<u>25,195</u>
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock) (in thousands)	<u>3,013,657</u>	<u>3,026,303</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>1.64</u>	<u>1.65</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>		
	<u>IT Hardware Products</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets:			
EMEA	\$ 59,648,514	-	59,648,514
Pan America	60,634,209	-	60,634,209
Asia Pacific	<u>74,353,689</u>	<u>46,671,730</u>	<u>121,025,419</u>
	<u>\$ 194,636,412</u>	<u>46,671,730</u>	<u>241,308,142</u>
	<u>2022</u>		
	<u>IT Hardware Products</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets:			
EMEA	\$ 73,326,421	-	73,326,421
Pan America	70,678,360	-	70,678,360
Asia Pacific	<u>88,505,710</u>	<u>42,913,253</u>	<u>131,418,963</u>
	<u>\$ 232,510,491</u>	<u>42,913,253</u>	<u>275,423,744</u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>January 1,</u> <u>2022</u>
Notes and accounts receivable (including receivables from related parties)	\$ 52,487,697	51,506,850	64,161,529
Less: loss allowance	<u>(179,465)</u>	<u>(142,992)</u>	<u>(120,763)</u>
	<u>\$ 52,308,232</u>	<u>51,363,858</u>	<u>64,040,766</u>
Contract assets – current	<u>\$ 701,205</u>	<u>523,881</u>	<u>451,354</u>
Contract liabilities – current	<u>\$ 3,252,251</u>	<u>2,985,415</u>	<u>2,455,504</u>
Contract liabilities – non-current	<u>\$ 712,983</u>	<u>829,346</u>	<u>1,002,391</u>

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 2023 and 2022 that was included in the contract liability balance at January 1, 2023 and 2022, was \$1,928,000 and \$1,261,561, 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.

For the years ended December 31, 2023 and 2022, the Company accrued its remuneration to employees amounting to \$470,000 and \$475,000, respectively, and the remuneration for directors of \$18,443 and \$18,800, 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 2023 resolved by the Company's Board of Directors on March 14, 2024 was \$4,000 and that for 2022 resolved by the Company's Board of Directors on March 16, 2023 was \$7,000, 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 \$14,443 and \$11,800 for 2023 and 2022, 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.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Other operating income and expenses – net

	<u>2023</u>	<u>2022</u>
Government grants	\$ 4,608	92,388
Rental income	<u>55,424</u>	<u>45,685</u>
	<u>\$ 60,032</u>	<u>138,073</u>

(ab) Non-operating income and loss

(i) Interest income

	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ 1,778,582	519,056
Other interest income	<u>281,113</u>	<u>16,690</u>
	<u>\$ 2,059,695</u>	<u>535,746</u>

(ii) Other income

	<u>2023</u>	<u>2022</u>
Dividend income	<u>\$ 484,476</u>	<u>556,176</u>

(iii) Other gains and losses

	<u>2023</u>	<u>2022</u>
Foreign currency exchange gain (loss)	\$ 576,390	(3,820,214)
Gain on financial assets and liabilities measured at fair value through profit or loss	655,218	3,660,978
Gain (loss) on disposal of equipment and intangible assets	1,233	(9,559)
Gain on bargain purchase in business combination	2,216	-
Gain on disposal of investments	3,967	8,121
Loss on liquidation of subsidiaries	-	(2,566)
Reversal of impairment loss on non-financial assets (note 6(g))	-	30,048
Impairment loss on non-financial assets	(1)	(7,503)
Others	<u>26,833</u>	<u>67,758</u>
	<u>\$ 1,265,856</u>	<u>(72,937)</u>

(iv) Finance costs

	<u>2023</u>	<u>2022</u>
Interest expense from bank loans and corporate bonds	\$ 242,596	184,064
Interest expense on lease liabilities	40,677	38,738
Interest expense on cost of tax	<u>205</u>	<u>(29,118)</u>
	<u>\$ 283,478</u>	<u>193,684</u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ac) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss	\$ 140,558	935,122
Financial assets measured at fair value through other comprehensive income	11,901,429	7,603,961
Financial assets measured at amortized cost:		
Cash and cash equivalents	48,134,128	46,842,902
Financial assets measured at amortized cost – current	461,025	-
Notes and accounts receivable and other receivables (including receivables from related parties)	53,289,567	51,805,578
Other financial assets – current	6,885,203	345,879
Financial assets measured at amortized cost – non-current	4,214,559	797,782
Other financial assets – non-current	1,133,805	1,082,824
	<u>\$ 126,160,274</u>	<u>109,414,048</u>

2) Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities measured at fair value through profit or loss	\$ 787,803	1,020,257
Financial liabilities measured at amortized cost:		
Short-term borrowings	976,627	1,652,086
Notes and accounts payable	44,701,410	31,549,698
Other payables	32,285,437	35,449,182
Lease liabilities (including current and non-current)	2,099,737	2,109,049
Bonds payable	10,000,000	10,000,000
Long-term debt (including current portion)	1,604,553	162,493
	<u>\$ 92,455,567</u>	<u>81,942,765</u>

(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.

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ACER INCORPORATED AND SUBSIDIARIES
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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).

	December 31, 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	63,471	-	63,471
Foreign currency option contracts	-	2,506	-	2,506
Stocks listed on foreign markets	817	-	-	817
Funds	<u>73,764</u>	<u>-</u>	<u>-</u>	<u>73,764</u>
	<u>\$ 74,581</u>	<u>65,977</u>	<u>-</u>	<u>140,558</u>
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	\$ 11,055,296	-	-	11,055,296
Unlisted stock	<u>-</u>	<u>-</u>	<u>846,133</u>	<u>846,133</u>
	<u>\$ 11,055,296</u>	<u>-</u>	<u>846,133</u>	<u>11,901,429</u>
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	(735,393)	-	(735,393)
Foreign currency option contracts	-	(23,919)	-	(23,919)
Contingent consideration arising from business combinations or investment in associates	<u>-</u>	<u>-</u>	<u>(28,491)</u>	<u>(28,491)</u>
	<u>\$ -</u>	<u>(759,312)</u>	<u>(28,491)</u>	<u>(787,803)</u>
Financial assets measured at amortized cost :				
Fixed rate corporate bonds	<u>\$ 4,058,105</u>	<u>609,893</u>	<u>-</u>	<u>4,667,998</u>

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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	<u>771,292</u>	<u>-</u>	<u>-</u>	<u>771,292</u>
	<u>\$ 773,953</u>	<u>161,169</u>	<u>-</u>	<u>935,122</u>
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	\$ 6,713,753	-	-	6,713,753
Unlisted stock	<u>-</u>	<u>-</u>	<u>890,208</u>	<u>890,208</u>
	<u>\$ 6,713,753</u>	<u>-</u>	<u>890,208</u>	<u>7,603,961</u>
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 or investment in associates	<u>-</u>	<u>-</u>	<u>(11,049)</u>	<u>(11,049)</u>
	<u>\$ -</u>	<u>(1,009,208)</u>	<u>(11,049)</u>	<u>(1,020,257)</u>
Financial assets measured at amortized cost :				
Fixed rate corporate bonds	<u>\$ 177,410</u>	<u>591,950</u>	<u>-</u>	<u>769,360</u>

There were no transfers among fair value hierarchies for the years ended December 31, 2023 and 2022.

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

	2023		2022	
	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	\$ (11,049)	890,208	(35,758)	741,845
Total gains or losses:				
Recognized in profit and loss	(3,740)	-	(3,125)	-
Recognized in other comprehensive income	-	(377,908)	-	(12,565)
Additions	(49,268)	419,739	(9,700)	165,449
Disposals	35,609	(82,560)	37,534	(41,535)
Effect of exchange rate changes	<u>(43)</u>	<u>(3,346)</u>	<u>-</u>	<u>37,014</u>
Balance at December 31	<u>\$ (28,491)</u>	<u>846,133</u>	<u>(11,049)</u>	<u>890,208</u>

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The abovementioned total gains or losses were included in “other gains and losses” and “unrealized gain (loss) from equity instruments measured at fair value through other comprehensive income”, respectively. The gains or losses attributable to the financial assets held on December 31, 2023 and 2022 were as follows:

	2023	2022
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 equity instruments measured at fair value through other comprehensive income”)	(399,560)	(12,565)
	\$ (399,560)	(15,690)

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

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5) Quantitative information of significant unobservable inputs

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
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, 2023 and 2022)	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:

	<u>Input</u>	<u>Change in assumptions</u>	<u>Net income or loss for current period</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2023						
Financial assets measured at fair value through other comprehensive income:						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	\$ 5,918	(5,918)
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	-	-

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.

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(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, 2023						
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
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Notes and accounts receivable, net	\$ 76,705,103	24,510,912	52,194,191	-	-	52,194,191
December 31, 2023						
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	\$ 69,212,322	24,510,912	44,701,410	-	-	44,701,410
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
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(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
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Notes and accounts payable	\$ 51,105,494	19,555,796	31,549,698	-	-	31,549,698

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(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.

3) Credit risk from receivables

Please refer to note 6(c) for credit risk exposure of notes and accounts receivable. Other financial assets measured at amortized cost includes fixed rate corporate bonds, 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, 2023 and 2022, except for other receivables amounting to \$40,141 and \$40,141, respectively, for which the loss allowance was fully provided, no loss allowance was provided for the remaining receivables after management's assessment.

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(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, 2023 and 2022, the Group had unused credit facilities of \$44,999,243 and \$44,386,478, respectively.

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

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2023					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	\$ 984,936	984,936	-	-	-
Long-term debt carrying floating interest rates	112,210	44,447	67,763	-	-
Long-term debt carrying fixed interest rates	1,755,000	25,500	25,500	76,500	1,627,500
Bonds payable carrying fixed interest rates	10,191,500	69,000	2,569,000	7,553,500	-
Notes and accounts payable	44,701,410	44,700,155	1,255	-	-
Other payables	32,285,437	29,670,929	2,594,658	19,789	61
Lease liability	2,127,266	667,723	492,891	734,230	232,422
	<u>\$ 92,157,759</u>	<u>76,162,690</u>	<u>5,751,067</u>	<u>8,384,019</u>	<u>1,859,983</u>
Derivative financial instruments:					
Foreign currency forward contracts – settled in gross:					
Outflow	\$ 54,118,249	54,118,249	-	-	-
Inflow	(53,559,119)	(53,559,119)	-	-	-
	<u>\$ 559,130</u>	<u>559,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency option contracts – settled in gross:					
Outflow	\$ 1,224,922	1,224,922	-	-	-
Inflow	(1,207,886)	(1,207,886)	-	-	-
	<u>\$ 17,036</u>	<u>17,036</u>	<u>-</u>	<u>-</u>	<u>-</u>
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
	<u>\$ 81,276,268</u>	<u>66,701,476</u>	<u>3,337,281</u>	<u>10,986,706</u>	<u>250,805</u>
Derivative financial instruments:					
Foreign currency forward contracts – settled in gross:					
Outflow	\$ 58,294,250	58,294,250	-	-	-
Inflow	(57,907,837)	(57,907,837)	-	-	-
	<u>\$ 386,413</u>	<u>386,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency option contracts – settled in gross:					
Outflow	\$ 318,506	318,506	-	-	-
Inflow	(313,222)	(313,222)	-	-	-
	<u>\$ 5,284</u>	<u>5,284</u>	<u>-</u>	<u>-</u>	<u>-</u>

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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), 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, 2023					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,489,886	30.7350	45,791,646	1 %	457,916
INR	11,705,170	0.3694	4,323,890	1 %	43,239
PLN	699,004	7.8087	5,458,313	1 %	54,583
GBP	71,885	39.1287	2,812,767	1 %	28,128
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,878,513	30.7350	57,736,097	1 %	577,361

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(in thousands)

December 31, 2022					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 974,482	30.7080	29,924,393	1 %	299,244
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
<u>Financial liabilities</u>					
<u>Monetary items</u>					
EUR	105,277	32.8729	3,460,760	1 %	34,608
USD	1,622,036	30.7080	49,809,481	1 %	498,095

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 debts carry floating or fixed 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, 2023 and 2022 would have been \$10,812 and \$18,146, 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.

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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, 2023 and 2022, would have increased or decreased by \$595,071 and \$380,198, respectively.

(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 2023 and 2022.
- (ii) The reconciliation of liabilities arising from financing activities were as follows:

			<u>Non-cash changes</u>			<u>December 31,</u> <u>2023</u>
	<u>January 1,</u> <u>2023</u>	<u>Cash flows</u>	<u>Movement</u> <u>of leases</u>	<u>Business</u> <u>merger</u>	<u>Fluctuation</u> <u>of foreign</u> <u>exchange</u> <u>rate</u>	
Long-term debt	\$ 162,493	1,436,348	-	10,003	(4,291)	1,604,553
Short-term borrowings	1,652,086	(719,206)	-	37,000	6,747	976,627
Lease liabilities	2,109,049	(744,711)	651,381	5,288	78,730	2,099,737
Bonds payable	<u>10,000,000</u>	-	-	-	-	<u>10,000,000</u>
Total liabilities from financing activities	<u>\$13,923,628</u>	<u>(27,569)</u>	<u>651,381</u>	<u>52,291</u>	<u>81,186</u>	<u>14,680,917</u>

			<u>Non-cash changes</u>			<u>December 31,</u> <u>2022</u>
	<u>January 1,</u> <u>2022</u>	<u>Cash flows</u>	<u>Movement</u> <u>of leases</u>	<u>Business</u> <u>merger</u>	<u>Fluctuation</u> <u>of foreign</u> <u>exchange</u> <u>rate</u>	
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	<u>10,000,000</u>	-	-	-	-	<u>10,000,000</u>
Total liabilities from financing activities	<u>\$13,224,793</u>	<u>(248,118)</u>	<u>725,342</u>	<u>86,666</u>	<u>134,945</u>	<u>13,923,628</u>

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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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
GrandPad Inc.	Associates
Piovision International Inc.	Associates
ECOM Software Inc.	Associates
Kbest Technology Inc.	Associates
Apex Material Technology Corp.	Associates
Antung Trading Corporation	Associates
Angel Filtration Products Corp.	Associates
Datasitter Information Service Inc.	Associates
Altob Inc.	Associates
Car In International Co., Ltd	Associates
Shine Passion Engineering Co., Ltd	Associates (AST obtained control over SPE since January 1, 2023 and it has been included in the Group's subsidiaries.)
Smart Frequency Technology Inc.	Joint venture (SFT has been included in the Group's subsidiaries from December 27, 2023.)
Haoru Electric Co., Ltd	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.)
Eric's 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 legal representative is the Company's chairman
Mu-Shi Investment Co., Ltd	The entity's legal representative is the Company's chairman
Yuan Kuo Hospital	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
Ambi Arts Inc.	The chairman of the entity's parent company is the Company's director
Porrina Inc.	The entity's chairman is the Company's director

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
StanShin Foundation	The entity's chairman is the Company's director
Eric Shih	The person is the first-degree relatives of the Company's director

(b) Significant related-party transactions

(i) Revenue

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

	<u>2023</u>	<u>2022</u>
Associates	\$ 120,479	66,499
Joint venture	4,538	31
Other related parties	<u>5,420</u>	<u>4,918</u>
	<u>\$ 130,437</u>	<u>71,448</u>

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:

	<u>2023</u>	<u>2022</u>
Associates	\$ <u>60,367</u>	<u>30,682</u>

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:

<u>Account</u>	<u>Related-party categories</u>	<u>2023</u>	<u>2022</u>
Operating expense	Associates	\$ 1,745	1,745
Operating expense	Other related parties	<u>10,000</u>	<u>13,835</u>
		<u>\$ 11,745</u>	<u>15,580</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 summarized as follows:

	<u>2023</u>	<u>2022</u>
Associates	\$ -	212
Joint venture	-	211
Other related parties	<u>81</u>	<u>127</u>
	<u>\$ 81</u>	<u>550</u>

(v) Service income

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

	<u>2023</u>	<u>2022</u>
Associates	\$ 48	48
Joint venture	3,771	3,634
Other related parties	<u>159</u>	<u>123</u>
	<u>\$ 3,978</u>	<u>3,805</u>

(vi) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Related-party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	Associates	\$ 113,889	39,308
Accounts receivable	Joint venture	-	-
Accounts receivable	Other related parties	152	2,513
Other receivables	Associates	6	-
Other receivables	Joint venture	-	667
Other receivables	Other related parties	<u>18</u>	<u>129</u>
		<u>\$ 114,065</u>	<u>42,617</u>

(vii) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts and notes payable	Associates	\$ 29,326	32,138
Other payables	Associates	490	-
Other payables	Other related parties	<u>58</u>	<u>15,031</u>
		<u>\$ 29,874</u>	<u>47,169</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) Compensation for key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 457,975	367,745
Post-employment benefits	9,807	9,465
	<u>\$ 467,782</u>	<u>377,210</u>

8. Pledged assets

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Pledged to secure</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash in bank, time deposits and refundable deposits (reported under other financial assets – current and non-current)	Contract bidding, security for letters of credit, project fulfillment, import tariffs, lease guarantee, bank loans, etc.	\$ 2,807,094	1,098,490
Land, house and buildings	Bank loans	-	120,791
Bluechip's assets	Bank loans	1,380,479	1,548,616
		<u>\$ 4,187,573</u>	<u>2,767,897</u>

9. Significant commitments and contingencies

- (a) The Company has entered into software and royalty license agreements with Microsoft, Google, IBM, and other companies. The Company has fulfilled its obligations according to the contracts.
- (b) 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.
- (c) 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.
- (d) As of December 31, 2023 and 2022, the Group had issued promissory notes amounting to \$42,600,295 and \$43,240,746, respectively, as collateral for obtaining credit facilities from financial institutions.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

10. Significant loss from disaster: None

11. Significant subsequent events: None

12. Others

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

	2023			2022		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	1,778,357	10,036,827	11,815,184	1,292,013	10,165,059	11,457,072
Insurance	251,532	1,143,779	1,395,311	190,648	1,068,725	1,259,373
Pension	80,182	535,240	615,422	39,850	553,308	593,158
Others	136,180	988,218	1,124,398	111,631	829,609	941,240
Depreciation	257,233	872,634	1,129,867	311,870	704,780	1,016,650
Amortization	512,733	133,582	646,315	581,962	92,086	674,048

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;

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 2023, 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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2023			
	IT Hardware Products	Others	Adjustments and eliminations	Total
Revenues from external customers	\$ 194,636,412	46,671,730	-	241,308,142
Intra-group revenue	2,902,655	8,985,193	(11,887,848)	-
Total revenues	<u>\$ 197,539,067</u>	<u>55,656,923</u>	<u>(11,887,848)</u>	<u>241,308,142</u>
Segment profit (loss)	<u>\$ 4,077,171</u>	<u>1,841,750</u>	<u>(1,693,510)</u>	<u>4,225,411</u>
	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	<u>\$ 234,395,936</u>	<u>48,990,295</u>	<u>(7,962,487)</u>	<u>275,423,744</u>
Segment profit (loss)	<u>\$ 7,528,284</u>	<u>1,447,292</u>	<u>(2,047,879)</u>	<u>6,927,697</u>

(b) Product and service information

Revenues from external customers are detailed below:

Products and services	2023	2022
Personal computers	\$ 161,475,903	192,980,131
Peripherals and others	79,832,239	82,443,613
	<u>\$ 241,308,142</u>	<u>275,423,744</u>

(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	2023	2022
U.S.A.	\$ 50,955,447	58,547,932
Taiwan	48,191,247	51,095,996
Others	142,161,448	165,779,816
	<u>\$ 241,308,142</u>	<u>275,423,744</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Non-current assets:

<u>Region</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
U.S.A.	\$ 12,614,580	11,584,163
Taiwan	7,246,385	6,095,293
Others	<u>6,260,224</u>	<u>8,017,438</u>
	<u>\$ 26,121,189</u>	<u>25,696,894</u>

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets and other 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, 2023

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 4)	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount 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	ADSC	Other receivables from related parties	Yes	2,000	1,000	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	MPS	Other receivables from related parties	Yes	245,000	95,000	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	EDC	Other receivables from related parties	Yes	790,000	390,000	150,000	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ALT	Other receivables from related parties	Yes	590,000	290,000	80,000	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ITS	Other receivables from related parties	Yes	1,200,000	600,000	543,000	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	AFE	Other receivables from related parties	Yes	768,233	365,916	365,916	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ABH	Other receivables from related parties	Yes	2,000	1,000	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	PAM	Other receivables from related parties	Yes	826,170	826,170	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
1	ABH	ABST	Other receivables from related parties	Yes	203,000	102,000	100,000	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	ABSG	Other receivables from related parties	Yes	139,412	67,857	67,857	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	ABC	Other receivables from related parties	Yes	79,000	45,000	43,000	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	AIC	Other receivables from related parties	Yes	40,000	-	-	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	APDI	Other receivables from related parties	Yes	155,000	-	-	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	The Company	Other receivables from related parties	Yes	250,000	150,000	100,000	1%~8%	2	-	Operating requirements	-	None	-	783,599	783,599
2	ADSC	The Company	Other receivables from related parties	Yes	240,000	150,000	150,000	1%~8%	2	-	Operating requirements	-	None	-	830,743	830,743
2	ADSC	Bluechip	Other receivables from related parties	Yes	103,358	41,873	41,873	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ENP	Other receivables from related parties	Yes	17,000	9,000	4,000	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ABI	Other receivables from related parties	Yes	7,000	7,000	-	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	BLI	Other receivables from related parties	Yes	15,250	15,250	10,400	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ATBD	Other receivables from related parties	Yes	33,136	32,590	32,590	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
3	AIZS	ACCQ	Other receivables from related parties	Yes	215,890	-	-	1%~8%	2	-	Operating requirements	-	None	-	211,042	211,042
4	GWJ	AAC	Other receivables from related parties	Yes	912,195	450,268	81,448	1%~8%	2	-	Operating requirements	-	None	-	29,017,525	29,017,525
4	GWJ	CRI	Other receivables from related parties	Yes	453,866	430,290	368,820	1%~8%	2	-	Operating requirements	-	None	-	4,836,254	4,836,254
5	AAH	AAC	Other receivables from related parties	Yes	9,512,989	4,640,985	4,640,985	1%~8%	2	-	Operating requirements	-	None	-	36,219,805	36,219,805
6	Bluechip	BLI	Other receivables from related parties	Yes	9,144	-	-	1%~8%	2	-	Operating requirements	-	None	-	79,775	79,775
7	AEG	AEH	Other receivables from related parties	Yes	99,027	-	-	1%~8%	2	-	Operating requirements	-	None	-	2,032,313	4,064,625
8	AHN	ENNL	Other receivables from related parties	Yes	119,126	118,749	118,749	1%~8%	2	-	Operating requirements	-	None	-	5,889,207	11,778,413
8	AHN	ENDE	Other receivables from related parties	Yes	51,054	50,893	50,893	1%~8%	2	-	Operating requirements	-	None	-	5,889,207	11,778,413
9	ASDI	APDI	Other receivables from related parties	Yes	20,000	20,000	20,000	1%~8%	2	-	Operating requirements	-	None	-	46,842	46,842
10	API	APDI	Other receivables from related parties	Yes	100,000	100,000	50,000	1%~8%	2	-	Operating requirements	-	None	-	126,272	126,272
11	AST	ASTA	Other receivables from related parties	Yes	120,000	120,000	-	-	2	-	Operating requirements	-	None	-	89,053	356,211
11	AST	ASM	Other receivables from related parties	Yes	60,000	-	-	-	2	-	Operating requirements	-	None	-	89,053	356,211
11	AST	SPE	Other receivables from related parties	Yes	60,000	60,000	-	-	2	-	Operating requirements	-	None	-	89,053	356,211
12	WLIJ	CRI	Other receivables from related parties	Yes	152,400	-	-	1.2%~5.5%	2	-	Operating requirements	-	None	-	214,126	856,505
13	WKHK	WKTW	Other receivables from related parties	Yes	45,000	-	-	-	2	-	Operating requirements	-	None	-	9,272	37,088
14	AMED	ABI	Other receivables from related parties	Yes	20,000	20,000	-	-	2	-	Operating requirements	-	None	-	22,194	88,775

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 the financing amount subject to regulations governing financing provided to other parties stipulated by 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 ABH, API and ADSC 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, ADSC and API.

shall not exceed 10% of net worth of ABH, ADSC and API.

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, WLII, AMED and WKHK 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, as the financing contract with a financing limit of \$30,000 expired in January 2023, AST's Board of Directors had 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 and AHN were 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.

Note 3: Net worth of the Company and subsidiaries listed above are the most recent audited.

Note 4: 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, 2023

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	Actual Amount 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	14,945,305	693,028	653,751	-	-	0.87%	74,726,525	Y		
0	The Company	ATH/ALTH	2	14,945,305	171,821	162,895	-	-	0.22%	74,726,525	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	14,945,305	2,269,330	2,151,450	28,909	-	2.88%	74,726,525	Y		
0	The Company	AEG	2	14,945,305	307,724	305,582	305,582	-	0.41%	74,726,525	Y		
0	The Company	Acer EMEA subsidiaries	2	14,945,305	1,134,665	1,075,725	42,000	-	1.44%	74,726,525	Y		
0	The Company	Acer EMEA subsidiaries	2	14,945,305	156,300	153,675	18,636	-	0.21%	74,726,525	Y		
0	The Company	ACN/ACD/ACW/AFN	2	14,945,305	12,204	12,204	12,204	-	0.02%	74,726,525	Y		
0	The Company	Acer Pan America subsidiaries	2	14,945,305	5,511,230	5,224,950	774,436	-	6.99%	74,726,525	Y		
0	The Company	AMEX	2	14,945,305	291,771	276,615	-	-	0.37%	74,726,525	Y		
0	The Company	Acer Greater China subsidiaries	2	14,945,305	1,783,045	1,690,425	-	-	2.26%	74,726,525	Y		Y
0	The Company	SMA	2	14,945,305	209,208	200,707	117,040	-	0.27%	74,726,525	Y		
0	The Company	ACA	2	14,945,305	178,305	169,043	169,043	-	0.23%	74,726,525	Y		
0	The Company	AIL	2	14,945,305	3,338,825	3,166,976	971,333	-	4.24%	74,726,525	Y		
0	The Company	ACCN/ACCQ/BJAC	2	14,945,305	889,731	865,775	-	-	1.16%	74,726,525	Y		Y
0	The Company	ABSG	2	14,945,305	178,398	170,639	16,964	-	0.23%	74,726,525	Y		
0	The Company	ITS	2	14,945,305	402,100	402,100	102,100	-	0.54%	74,726,525	Y		
0	The Company	ALT	2	14,945,305	410,000	325,368	-	-	0.44%	74,726,525	Y		
0	The Company	MPS	2	14,945,305	201,772	153,074	-	-	0.20%	74,726,525	Y		
0	The Company	EDC	2	14,945,305	2,917,710	2,766,150	933,984	-	3.70%	74,726,525	Y		
0	The Company	AAC	2	14,945,305	1,783,045	1,690,425	1,309,629	-	2.26%	74,726,525	Y		
0	The Company	AGM	2	14,945,305	1,300,520	-	-	-	-	74,726,525	Y		
0	The Company	API	2	14,945,305	100,000	63,074	-	-	0.08%	74,726,525	Y		
0	The Company	CPY	2	14,945,305	17,282	16,964	16,964	-	0.02%	74,726,525	Y		
0	The Company	ALTH	2	14,945,305	48,629	46,103	-	-	0.06%	74,726,525	Y		
0	The Company	ALIN	2	14,945,305	116,818	110,810	-	-	0.15%	74,726,525	Y		
0	The Company	AGU	2	14,945,305	312,600	307,350	-	-	0.41%	74,726,525	Y		
0	The Company	HRC	6	14,945,305	1,500,000	1,500,000	-	-	2.01%	74,726,525	Y		
1	AAC	ASC	4	2,575,981	19,451	18,441	18,441	-	0.72%	2,575,981			
2	AHI	The Company	3	3,150,002	1,666,667	1,666,667	1,666,667	-	10.58%	15,750,008		Y	
3	AOI	AOC	2	423,174	178,305	-	-	-	-	1,410,580			Y
4	AST	ASTS	2	178,106	35,590	-	-	-	-	445,264			Y
4	AST	ASM	2	178,106	60,000	-	-	-	-	445,264			
4	AST	ASTA	2	178,106	127,416	61,470	-	-	6.90%	445,264			
5	WLII	CRI	2	428,253	216,607	162,896	11,521	-	7.61%	1,070,631			
5	WLII	PAM	2	428,253	197,495	122,940	-	-	5.74%	1,070,631			
5	WLII	PST	2	428,253	318,540	144,455	1,837	-	6.75%	1,070,631			Y
5	WLII	PAL	2	428,253	29,177	27,662	-	-	1.29%	1,070,631			
6	HSNC	HSNT	2	81,071	64,838	61,470	9,832	-	30.33%	202,678			
6	HSNC	HSNI	2	81,071	30,766	15,368	-	-	7.58%	202,678			
6	HSNC	HSNV	2	81,071	32,419	30,735	-	-	15.16%	202,678			
6	HSNC	HSNP	2	81,071	32,419	30,735	-	-	15.16%	202,678			
6	HSNC	HSN	2	81,071	32,419	30,735	-	-	15.16%	202,678			

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 3: the Company, directly and indirectly, has voting rights of the entity over 50%

Type 4: between entities directly or indirectly owned by the Company over 90%

Type 6: An entity jointly invested by capital contributing shareholders that make endorsements/guarantees in proportion to their shareholding percentages ◦

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.

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 40% of the most recent audited net worth of HSNC.

Note 8: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of AHI.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AHI.

Acer Incorporated and Subsidiaries
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2023

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 2023		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	817	0.04%	817	572	0.10%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	89,516	4,296,753	4.55%	4,296,753	89,516	4.55%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	327,343	0.24%	327,343	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	19,109	1,884,147	0.66%	1,884,147	54,816	1.89%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	195,679	3.08%	195,679	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	8,733	982,427	4.01%	982,427	8,733	4.04%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	855	50,787	0.26%	50,787	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	70,268	0.17%	70,268	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	15,496	0.03%	15,496	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	991	59,360	0.15%	59,360	991	0.15%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	15,520	0.04%	15,520	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,539	0.02%	1,539	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	385,000	2.10%	385,000	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	17,118	0.07%	17,118	335	0.07%	Note 4
The Company	Stock: Apacer	-	Financial assets measured at fair value through other comprehensive income — non-current	11,710	724,849	9.54%	724,849	11,710	9.54%	
The Company	Stock: Welldone	-	Financial assets measured at fair value through other comprehensive income — non-current	10,000	542,000	10.03%	542,000	10,000	10.03%	
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	4.45%	120,000	2,400	5.45%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	Other related parties	Financial assets measured at fair value through other comprehensive income — non-current	2,000	16,972	15.50%	16,972	2,000	15.50%	
The Company	Stock: Fortune Electric	-	Financial assets measured at fair value through other comprehensive income — non-current	2,500	27,401	8.83%	27,401	2,500	8.83%	
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%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2023		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: C-LiFe Technologies, Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	11,000	330,000	11.38%	330,000	11,000	11.38%	
The Company	USD Fixed Rate Callable Note 1.83 02/23/2024	-	Financial assets measured at amortized cost — current	-	307,350	-	305,775	-	-	
The Company	USD Fixed Rate Callable Note 3.05 04/01/2024	-	Financial assets measured at amortized cost — current	-	153,675	-	152,716	-	-	
The Company	USD Fixed Rate Callable Note 3.85 05/13/2025	-	Financial assets measured at amortized cost — non-current	-	153,675	-	148,780	-	-	
The Company	CREDIT AGRICOLE SA Bond 4.375 03/17/2025	-	Financial assets measured at amortized cost — non-current	-	61,550	-	60,400	-	-	
The Company	UBS Bond 4.125 09/24/2025	-	Financial assets measured at amortized cost — non-current	-	61,295	-	60,072	-	-	
The Company	HSBC Bond 4.375 11/23/26	-	Financial assets measured at amortized cost — non-current	-	61,091	-	59,971	-	-	
The Company	HSBC Bond 3.9 05/25/26	-	Financial assets measured at amortized cost — non-current	-	210,087	-	209,050	-	-	
The Company	UBS Bond 4.253 03/23/28	-	Financial assets measured at amortized cost — non-current	-	208,245	-	208,583	-	-	
The Company	MUFG Bond 2.757 09/13/26	-	Financial assets measured at amortized cost — non-current	-	174,471	-	174,046	-	-	
The Company	SUMIBK Bond 5.52 01/13/28	-	Financial assets measured at amortized cost — non-current	-	93,978	-	93,948	-	-	
The Company	Citigroup Inc. Bond 3.3 04/27/25	-	Financial assets measured at amortized cost — non-current	-	60,382	-	60,097	-	-	
The Company	Citigroup Inc. Bond 3.3 04/27/25	-	Financial assets measured at amortized cost — non-current	-	90,559	-	90,145	-	-	
The Company	MIZUHO Bond 3.477 04/12/26	-	Financial assets measured at amortized cost — non-current	-	89,414	-	89,072	-	-	
The Company	SUMIBK Bond 3.364 07/12/27	-	Financial assets measured at amortized cost — non-current	-	146,932	-	145,947	-	-	
The Company	MUFG Bond 3.85 03/01/26	-	Financial assets measured at amortized cost — non-current	-	90,177	-	89,808	-	-	
The Company	SUMIBK Bond 5.52 01/13/28	-	Financial assets measured at amortized cost — non-current	-	62,783	-	62,632	-	-	
The Company	MIZUHO Bond 3.477 04/12/26	-	Financial assets measured at amortized cost — non-current	-	59,597	-	59,381	-	-	
The Company	CREDIT AGRICOLE 5.301 07.12/28	-	Financial assets measured at amortized cost — non-current	-	92,205	-	93,772	-	-	
The Company	HSBC 5.625 03/17/25	-	Financial assets measured at amortized cost — non-current	-	92,257	-	92,318	-	-	
The Company	BNP 3.375 01/09/25	-	Financial assets measured at amortized cost — non-current	-	89,800	-	90,336	-	-	
The Company	P12 Cathay Life Insurance 1A	-	Financial assets measured at amortized cost — non-current	-	1,500,000	-	1,499,754	-	-	
The Company	BNP 3.375 01/09/25	-	Financial assets measured at amortized cost — non-current	-	60,070	-	60,224	-	-	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2023		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	SOCGEN 4.677 06/15/27 Corp	-	Financial assets measured at amortized cost — non-current	-	89,628	-	90,877	-	-	
The Company	BNP 3.5 11/16/27	-	Financial assets measured at amortized cost — non-current	-	85,909	-	87,016	-	-	
The Company	HSBC 5.625 03/17/25	-	Financial assets measured at amortized cost — non-current	-	61,487	-	61,546	-	-	
The Company	CREDIT AGRICOLE 5.301 07.12/28	-	Financial assets measured at amortized cost — non-current	-	60,964	-	62,515	-	-	
The Company	SOCGEN 4.677 06/15/27 Corp	-	Financial assets measured at amortized cost — non-current	-	59,390	-	60,585	-	-	
The Company	BNP 3.5 11/16/27	-	Financial assets measured at amortized cost — non-current	-	85,016	-	87,016	-	-	
The Company	WSTPNZ 4.902 02/15/28	-	Financial assets measured at amortized cost — non-current	-	153,675	-	152,814	-	-	
The Company	ANZ 5.355 08/14/28	-	Financial assets measured at amortized cost — non-current	-	157,119	-	156,180	-	-	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	1,286,354	0.45%	1,286,354	13,046	0.45%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	1,848	18.92%	1,848	322	18.92%	
ADSC	21st Century Technology Co., Ltd	-	Financial assets measured at fair value through other comprehensive income — non-current	592	19,613	0.86%	19,613	592	0.86%	
CCI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	78,223	19.39%	78,223	3,800	19.39%	
CCI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	121,815	12.20%	121,815	463	12.20%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	49,961	2.01%	49,961	1,015	2.01%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	1,000	13.79%	1,000	-	0.00%	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	19,081	0.30%	19,081	666	0.30%	Note 1
AEB	Stock: Ambi Arts	Other related parties	Financial assets measured at fair value through other comprehensive income — non-current	180	1,019	18.00%	1,019	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	19,081	0.30%	19,081	666	0.30%	Note 1
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	11,000	0.06%	11,000	200	0.06%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	22,000	0.12%	22,000	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	13,935	0.44%	13,935	300	0.44%	
AST	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	20	1,222	0.003%	1,222	20	0.003%	Note 2

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2023		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
AST	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	952	48,647	0.19%	48,647	952	0.19%	Note 4
AST	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	549	15,729	0.25%	15,729	549	0.25%	Note 1
SPE	Credit Suisse AG 4 05.15/27	-	Financial assets measured at amortized cost — non-current	-	2,803	-	2,803	-	-	
Boardwalk	Citi Goldman Sachs Financial Square Government Fund	-	Financial assets measured at fair value through profit or loss — current	-	73,764	-	73,764	-	-	
ALT	Stock: QSAN Technology, Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	966	78,247	16.68%	78,247	966	16.68%	

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are preferred 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 preferred stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.

Note 3: The stocks of FBFH are preferred stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.

Note 4: The stocks of TSFH are preferred 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, 2023

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 (Note 1)
The Company	Stock: Wistron	Financial assets measured at fair value through other comprehensive income — non-current	Exchange Market	None	54,816	1,611,590	-	-	35,707	4,285,821	1,073,795	3,212,026	19,109	1,884,147
The Company	Stock: Welldone	Financial assets measured at fair value through other comprehensive income — non-current	Welldone Corporation	None	-	-	10,000	400,500	-	-	-	-	10,000	542,000
The Company	Stock: C-LiFe Technologies, Inc.	Financial assets measured at fair value through other comprehensive income — non-current	C-LiFe Technologies, Inc.	None	-	-	11,000	330,000	-	-	-	-	11,000	330,000
The Company	HRC	Investments accounted for using equity method	Haoru Electric Co., Ltd	Joint Venture	-	-	30,000	300,000	-	-	-	-	30,000	300,081
The Company	AOI	Investments accounted for using equity method	AOI and its subsidiaries	Parent/Subsidiary	28,970	347,183	5,294	360,013	-	-	-	-	34,264	619,886
The Company	P12 Cathay Life Insurance 1A	Financial assets measured at amortized cost — non-current	Cathay Life Insurance Co., Ltd.	None	-	-	-	1,500,000	-	-	-	-	-	1,500,000
ACCN	Fubon Bank (China) CNY SDRMBC	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	619,400	2,710,304	619,400	2,726,687	2,710,304	16,383	-	-
ACCN	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	290,000	1,262,852	290,000	1,271,031	1,262,852	8,179	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	2,311,300	10,142,911	2,311,300	10,184,939	10,142,911	42,028	-	-
ACCQ	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	675,000	2,941,260	675,000	2,951,454	2,941,260	10,194	-	-
AIZS	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	189,000	825,942	189,000	830,902	825,942	4,960	-	-
AHN	EUR Term Liquidity Fund	Financial assets measured at fair value through profit or loss — current	Citibank Taiwan Limited	None	-	771,292	-	-	-	775,088	771,292	3,796	-	-

Note 1: Ending balance includes evaluation gains and losses, investment gains and losses, translation adjustments and other amounts.

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, 2023

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)	(44,017,585)	(29.15)%	OA90	-	-	73,007	0.43%	
The Company	ACA	Parent/Subsidiary	(Sales)	(4,956,844)	(3.28)%	OA60	-	-	1,308,208	7.67%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(8,903,705)	(5.90)%	OA60	-	-	121,199	0.71%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(254,869)	(0.17)%	OA60	-	-	-	-	
The Company	ACS	Parent/Subsidiary	(Sales)	(1,774,265)	(1.18)%	OA60	-	-	248,222	1.46%	
The Company	AEG	Parent/Subsidiary	(Sales)	(49,209,858)	(32.59)%	OA60	-	-	1,146,056	6.72%	
The Company	AFE	Parent/Subsidiary	(Sales)	(2,091,740)	(1.39)%	OA60	-	-	778,302	4.56%	
The Company	AIL	Parent/Subsidiary	(Sales)	(8,267,854)	(5.48)%	OA150	-	-	4,333,513	25.41%	
The Company	AIN	Parent/Subsidiary	(Sales)	(4,122,475)	(2.73)%	OA90	-	-	1,157,544	6.79%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,309,732)	(0.87)%	OA60	-	-	963,214	5.65%	
The Company	AMI	Parent/Subsidiary	(Sales)	(3,348,687)	(2.22)%	OA90	-	-	782,343	4.59%	
The Company	APHI	Parent/Subsidiary	(Sales)	(1,308,197)	(0.87)%	OA60	-	-	389,181	2.28%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(2,451,512)	(1.62)%	OA60	-	-	423,646	2.48%	
The Company	ATH	Parent/Subsidiary	(Sales)	(3,466,520)	(2.30)%	OA60	-	-	636,962	3.73%	
The Company	AVN	Parent/Subsidiary	(Sales)	(249,413)	(0.17)%	OA60	-	-	69,994	0.41%	
The Company	GPI	Associate	(Sales)	(115,278)	(0.08)%	EM120	-	-	108,740	0.64%	
The Company	ALT	Parent/Subsidiary	(Sales)	(136,695)	(0.09)%	OA60	-	-	24,485	0.14%	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,877,723)	(1.24)%	EM45	-	-	289,987	1.70%	
The Company	APHI	Parent/Subsidiary	Purchases	255,386	0.18%	OA60	-	-	(90,722)	(0.28)%	
The Company	API	Parent/Subsidiary	Purchases	126,242	0.09%	OA60	-	-	(26,052)	(0.08)%	
The Company	AVN	Parent/Subsidiary	Purchases	158,530	0.11%	OA60	-	-	(43,166)	(0.13)%	
The Company	ALT	Parent/Subsidiary	Purchases	563,130	0.39%	OA60	-	-	(126,138)	(0.39)%	
The Company	EDC	Parent/Subsidiary	Purchases	108,921	0.08%	EM60	-	-	(41,790)	(0.13)%	
The Company	AEB	Parent/Subsidiary	Purchases	143,197	0.10%	EM30	-	-	(33,355)	(0.10)%	
The Company	AOI	Parent/Subsidiary	Purchases	4,911,590	3.39%	EM60	-	-	(773,965)	(2.41)%	
The Company	AGT	Parent/Subsidiary	Purchases	970,455	0.67%	OA60	-	-	(206,865)	(0.64)%	
The Company	WLII	Parent/Subsidiary	Purchases	162,297	0.11%	EM60	-	-	(31,985)	(0.10)%	
WELL	WLII	Parent/Subsidiary	Purchases	664,288	97.57%	EM45	-	-	(67,056)	(98.08)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(563,130)	(62.98)%	OA60	-	-	126,138	63.15%	
ALT	The Company	Parent/Subsidiary	Purchases	136,695	16.72%	OA60	-	-	(24,485)	(13.09)%	
EDC	The Company	Parent/Subsidiary	(Sales)	(108,921)	(5.90)%	EM60	-	-	41,790	14.54%	
AEB	The Company	Parent/Subsidiary	(Sales)	(143,197)	(1.90)%	EM30	-	-	33,355	1.52%	
AEB	WLII	Fellow subsidiary	Purchases	315,354	5.08%	EM60	-	-	(82,250)	(6.93)%	
AGM	AFE	Fellow subsidiary	(Sales)	(180,151)	(4.81)%	OA10	-	-	24,024	4.35%	
AGM	AGMPH	Parent/Subsidiary	(Sales)	(952,144)	(25.41)%	OA60	-	-	259,164	46.93%	
WKSH	WKNJ	Parent/Subsidiary	(Sales)	(338,054)	(69.79)%	OA45	-	-	91,202	62.36%	

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	
WKSH	WKNJ	Parent/Subsidiary	Purchases	131,723	35.86%	EM45	-	-	(53,408)	(100.00)%	
WKNJ	WKSH	Parent/Subsidiary	(Sales)	(131,723)	(21.44)%	EM45	-	-	53,408	58.80%	
WKNJ	WKSH	Parent/Subsidiary	Purchases	338,054	56.63%	OA45	-	-	(91,202)	(60.96)%	
AOI	AOE	Parent/Subsidiary	(Sales)	(235,719)	(4.45)%	OA60	-	-	131,896	11.11%	
AOI	The Company	Parent/Subsidiary	(Sales)	(4,911,590)	(92.71)%	EM60	-	-	773,965	65.16%	
AGT	The Company	Parent/Subsidiary	(Sales)	(970,455)	(58.72)%	OA60	-	-	206,865	62.60%	
WLII	The Company	Parent/Subsidiary	(Sales)	(162,297)	(0.91)%	EM60	-	-	31,985	1.25%	
WLII	WELL	Parent/Subsidiary	(Sales)	(664,288)	(3.73)%	EM45	-	-	67,056	2.63%	
WLII	AEB	Fellow subsidiary	(Sales)	(315,354)	(1.77)%	EM60	-	-	82,250	3.23%	
WLII	The Company	Parent/Subsidiary	Purchases	1,877,723	10.96%	EM45	-	-	(289,987)	(11.37)%	
PAM	CRI	Fellow subsidiary	(Sales)	(552,795)	(22.86)%	EM60	-	-	26,075	11.20%	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,633,627)	(3.24)%	OA60	-	-	340,877	3.82%	
AAC	ASC	Fellow subsidiary	(Sales)	(245,826)	(0.49)%	OA60	-	-	3,083	0.03%	
AAC	ATB	Fellow subsidiary	(Sales)	(296,991)	(0.59)%	OA60	-	-	73,761	0.83%	
AAC	The Company	Parent/Subsidiary	Purchases	44,017,585	94.14%	OA90	-	-	(73,007)	(4.52)%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(113,606)	(1.89)%	EM30	-	-	34,539	2.41%	
ACA	The Company	Parent/Subsidiary	Purchases	4,956,844	82.66%	OA60	-	-	(1,308,208)	(94.64)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(318,323)	(64.51)%	OA60	-	-	99,873	84.14%	
ACCQ	ACCN	Fellow subsidiary	Purchases	318,323	2.71%	OA60	-	-	(99,873)	(5.92)%	
ACCQ	GCN	Fellow subsidiary	Purchases	276,408	2.35%	OA60	-	-	(107,784)	(6.39)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	8,903,705	75.74%	OA60	-	-	(121,199)	(7.18)%	
ACF	AEG	Fellow subsidiary	(Sales)	(378,603)	(6.49)%	OA60	-	-	793,275	28.06%	
ACF	AEG	Fellow subsidiary	Purchases	4,693,806	85.52%	OA60	-	-	(133,779)	(73.38)%	
ACF	APX	Fellow subsidiary	Purchases	185,325	3.38%	OA60	-	-	(11,805)	(6.47)%	
ACG	AEG	Fellow subsidiary	(Sales)	(508,657)	(3.48)%	OA60	-	-	1,828,209	27.05%	
ACG	AEG	Fellow subsidiary	Purchases	12,765,410	100.00%	OA60	-	-	(2,686,232)	(97.89)%	
ACG	APL	Fellow subsidiary	Purchases	118,126	1.16%	OA30	-	-	(13,028)	(0.47)%	
ACG	APX	Fellow subsidiary	Purchases	217,935	2.14%	OA45	-	-	(26,477)	(0.96)%	
ACH	AEG	Fellow subsidiary	Purchases	2,743,047	93.62%	OA60	-	-	(646,864)	(94.81)%	
ACH	APX	Fellow subsidiary	Purchases	112,328	3.83%	OA60	-	-	(14,820)	(2.17)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	254,869	61.76%	OA60	-	-	-	-	
ACS	The Company	Parent/Subsidiary	Purchases	1,774,265	83.76%	OA60	-	-	(248,222)	(91.97)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(167,387)	(34.85)%	OA60	-	-	31,466	49.78%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(128,865)	(26.83)%	OA30	-	-	-	-	
ACZ	APX	Fellow subsidiary	Purchases	160,866	37.70%	OA90	-	-	(21,136)	(76.45)%	
AEG	ACF	Fellow subsidiary	(Sales)	(4,693,806)	(8.53)%	OA60	-	-	133,779	1.03%	
AEG	ACG	Fellow subsidiary	(Sales)	(12,765,410)	(23.19)%	OA60	-	-	2,686,232	20.69%	
AEG	ACH	Fellow subsidiary	(Sales)	(2,743,047)	(4.98)%	OA60	-	-	646,864	4.98%	
AEG	AIB	Fellow subsidiary	(Sales)	(3,139,298)	(5.70)%	OA60	-	-	414,947	3.20%	
AEG	AIT	Fellow subsidiary	(Sales)	(4,029,912)	(7.32)%	OA60	-	-	1,505,382	11.60%	
AEG	ASIN	Fellow subsidiary	(Sales)	(13,934,588)	(25.32)%	OA60	-	-	-	-	
AEG	AUK	Fellow subsidiary	(Sales)	(5,196,691)	(9.44)%	OA60	-	-	1,411,458	10.87%	

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	CPY	Fellow subsidiary	(Sales)	(969,127)	(1.76)%	OA60	-	-	354,789	2.73%	
AEG	ENCH	Fellow subsidiary	(Sales)	(1,042,560)	(1.89)%	OA60	-	-	785	0.01%	
AEG	SER	Fellow subsidiary	(Sales)	(1,705,243)	(3.10)%	OA60	-	-	80,949	0.62%	
AEG	ACF	Fellow subsidiary	Purchases	378,603	0.69%	OA60	-	-	(793,275)	(11.20)%	
AEG	ACG	Fellow subsidiary	Purchases	508,657	0.92%	OA60	-	-	(1,828,209)	(25.81)%	
AEG	ACZ	Fellow subsidiary	Purchases	167,387	0.30%	OA60	-	-	(31,466)	(0.44)%	
AEG	AEH	Parent/Subsidiary	Purchases	222,552	0.40%	OA60	-	-	-	-	
AEG	AIB	Fellow subsidiary	Purchases	312,525	0.57%	OA60	-	-	(534,339)	(7.54)%	
AEG	AIT	Fellow subsidiary	Purchases	233,638	0.42%	OA60	-	-	(1,140,576)	(16.10)%	
AEG	APX	Fellow subsidiary	Purchases	619,568	1.13%	OA60	-	-	(11,744)	(0.17)%	
AEG	ENNL	Fellow subsidiary	Purchases	280,885	0.51%	OA30	-	-	(47,799)	(0.67)%	
AEG	The Company	Parent/Subsidiary	Purchases	49,209,858	89.41%	OA60	-	-	(1,146,056)	(16.18)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(222,552)	(74.22)%	OA60	-	-	-	-	
AFE	The Company	Parent/Subsidiary	Purchases	2,091,740	89.07%	OA60	-	-	(778,302)	(98.19)%	
AFE	AGM	Fellow subsidiary	Purchases	180,151	7.67%	OA10	-	-	(24,024)	(3.03)%	
AGMPH	AGM	Parent/Subsidiary	Purchases	952,144	90.52%	OA60	-	-	(259,164)	(99.80)%	
AIB	AEG	Fellow subsidiary	(Sales)	(312,525)	(8.34)%	OA60	-	-	534,339	28.23%	
AIB	AEG	Fellow subsidiary	Purchases	3,139,298	86.68%	OA60	-	-	(414,947)	(94.71)%	
AIB	APX	Fellow subsidiary	Purchases	135,667	3.75%	OA60	-	-	(14,632)	(3.34)%	
AIL	ALIN	Fellow subsidiary	(Sales)	(617,368)	(3.49)%	OA120	-	-	305,642	7.58%	
AIL	The Company	Parent/Subsidiary	Purchases	8,267,854	44.69%	OA150	-	-	(4,333,513)	(69.38)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(108,565)	(1.28)%	OA60	-	-	1,319	0.68%	
AIN	AMI	Fellow subsidiary	Purchases	3,822,308	45.86%	OA90	-	-	(34,312)	(3.28)%	
AIN	The Company	Parent/Subsidiary	Purchases	4,122,475	49.47%	OA90	-	-	(1,157,544)	(100.00)%	
AIT	AEG	Fellow subsidiary	(Sales)	(233,638)	(5.28)%	OA60	-	-	1,140,576	31.35%	
AIT	AEG	Fellow subsidiary	Purchases	4,029,912	94.35%	OA60	-	-	(1,505,382)	(99.40)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,309,732	97.02%	OA60	-	-	(963,214)	(89.47)%	
ALIN	AIL	Fellow subsidiary	Purchases	617,368	100.00%	OA120	-	-	(305,642)	(99.70)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,633,627	95.77%	OA60	-	-	(340,877)	(100.00)%	
AMI	AIN	Fellow subsidiary	(Sales)	(3,822,308)	(99.63)%	OA90	-	-	34,312	100.00%	
AMI	AIN	Parent/Subsidiary	Purchases	108,565	2.78%	OA60	-	-	(1,319)	(0.16)%	
AMI	The Company	Parent/Subsidiary	Purchases	3,348,687	85.86%	OA90	-	-	(782,343)	(94.48)%	
AOE	AOI	Parent/Subsidiary	Purchases	235,719	98.88%	OA60	-	-	(131,896)	(94.34)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(255,386)	(11.42)%	OA60	-	-	90,722	35.78%	
APHI	The Company	Parent/Subsidiary	Purchases	1,308,197	80.17%	OA60	-	-	(389,181)	(95.88)%	
API	The Company	Parent/Subsidiary	(Sales)	(126,242)	(47.45)%	OA60	-	-	26,052	62.94%	
APL	ACG	Fellow subsidiary	(Sales)	(118,126)	(100.00)%	OA30	-	-	13,028	86.66%	
APX	ACF	Fellow subsidiary	(Sales)	(185,325)	(10.48)%	OA60	-	-	11,805	6.47%	
APX	ACG	Fellow subsidiary	(Sales)	(217,935)	(12.33)%	OA45	-	-	26,477	14.50%	
APX	ACH	Fellow subsidiary	(Sales)	(112,328)	(6.35)%	OA60	-	-	14,820	8.12%	
APX	ACZ	Fellow subsidiary	(Sales)	(160,866)	(9.10)%	OA90	-	-	21,136	11.58%	
APX	AEG	Fellow subsidiary	(Sales)	(619,568)	(35.05)%	OA60	-	-	11,744	6.43%	

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	
APX	AIB	Fellow subsidiary	(Sales)	(135,667)	(7.68)%	OA60	-	-	14,632	8.02%	
ARU	ASIN	Fellow subsidiary	(Sales)	(106,811)	(82.48)%	OA60	-	-	-	-	
ASC	AAC	Fellow subsidiary	Purchases	245,826	100.00%	OA60	-	-	(3,083)	(2.93)%	
ASIN	ACZ	Fellow subsidiary	Purchases	128,865	0.93%	OA30	-	-	-	-	
ASIN	AEG	Fellow subsidiary	Purchases	13,934,588	100.00%	OA60	-	-	-	-	
ASIN	ARU	Fellow subsidiary	Purchases	106,811	0.77%	OA60	-	-	-	-	
ASSB	SMA	Parent/Subsidiary	(Sales)	(487,341)	(16.67)%	OA60	-	-	2,549	1.56%	
ASSB	The Company	Parent/Subsidiary	Purchases	2,451,512	88.02%	OA60	-	-	(423,646)	(96.21)%	
ATB	AAC	Fellow subsidiary	Purchases	296,991	3.60%	OA60	-	-	(73,761)	(2.40)%	
ATH	The Company	Parent/Subsidiary	Purchases	3,466,520	84.58%	OA60	-	-	(636,962)	(95.75)%	
AUK	AEG	Fellow subsidiary	Purchases	5,196,691	93.80%	OA60	-	-	(1,411,458)	(98.71)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(158,530)	(40.82)%	OA60	-	-	43,166	50.57%	
AVN	The Company	Parent/Subsidiary	Purchases	249,413	99.89%	OA60	-	-	(69,994)	(1)	
Bluechip	ACA	Fellow subsidiary	Purchases	113,606	3.22%	EM30	-	-	(34,539)	(10.29)%	
CPY	AEG	Fellow subsidiary	Purchases	969,127	85.64%	OA60	-	-	(354,789)	(94.52)%	
CRI	PAM	Fellow subsidiary	Purchases	552,795	38.53%	EM60	-	-	(26,075)	(56.05)%	
ENCH	AEG	Fellow subsidiary	Purchases	1,042,560	85.01%	OA60	-	-	(785)	(10.08)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(280,885)	(53.14)%	OA30	-	-	47,799	16.25%	
ENNL	ENPL	Fellow subsidiary	Purchases	115,601	19.71%	OA60	-	-	(114,690)	(17.93)%	
ENPL	ENNL	Fellow subsidiary	(Sales)	(115,601)	(100.00)%	OA60	-	-	114,690	-	
GCN	ACCQ	Fellow subsidiary	(Sales)	(276,408)	(63.82)%	OA60	-	-	107,784	100.00%	
GPI	The Company	Associate	Purchases	115,278	46.37%	EM120	-	-	(108,740)	(37.77)%	
SER	AEG	Fellow subsidiary	Purchases	1,705,243	100.00%	OA60	-	-	(80,949)	(56.79)%	
SMA	ASSB	Parent/Subsidiary	Purchases	487,341	13.92%	OA60	-	-	(2,549)	(0.94)%	

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, 2023

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	ACA	Parent/Subsidiary	1,308,208	3.87	486,984	Under Collection	728,358	-	
The Company	ACCQ	Parent/Subsidiary	133,942	36.28	-	-	133,942	-	
The Company	ACS	Parent/Subsidiary	248,222	9.98	-	-	196,334	-	
The Company	AEG	Parent/Subsidiary	1,146,056	56.13	-	-	1,060,220	-	
The Company	AFE	Parent/Subsidiary	1,144,218	4.86	-	-	611,862	-	
The Company	AIL	Parent/Subsidiary	4,333,513	2.11	610,980	Under Collection	281,094	-	
The Company	AIN	Parent/Subsidiary	1,164,025	3.83	18,780	Under Collection	688,453	-	
The Company	AJC	Parent/Subsidiary	963,309	1.35	450,707	Under Collection	147,984	-	
The Company	AMI	Parent/Subsidiary	782,343	5.01	167,766	Under Collection	259,719	-	
The Company	APHI	Parent/Subsidiary	389,181	2.84	64,007	Under Collection	247,234	-	
The Company	ASSB	Parent/Subsidiary	423,646	5.11	-	-	329,295	-	
The Company	ATH	Parent/Subsidiary	636,962	5.44	177,360	Under Collection	636,962	-	
The Company	GPI	Associate	108,740	1.58	108,740	Under Collection	2,818	-	
The Company	ALT	Parent/Subsidiary	106,547	7.59	2,839	Under Collection	23,606	-	
The Company	ITS	Parent/Subsidiary	543,897	5.34	383	Under Collection	897	-	
The Company	EDC	Parent/Subsidiary	159,836	3.85	-	-	9,095	-	
The Company	WLII	Parent/Subsidiary	290,409	6.80	-	-	283,570	-	
ACSI	EDC	Parent/Subsidiary	101,448	1.99	-	-	-	-	
ALT	The Company	Parent/Subsidiary	135,910	5.30	54,767	Under Collection	52,275	-	
ABH	The Company	Parent/Subsidiary	100,963	-	-	-	100,963	-	
ABH	ABST	Parent/Subsidiary	100,506	-	-	-	-	-	
AGM	AGMPH	Parent/Subsidiary	259,164	3.97	109,054	Under Collection	223,367	-	
AOI	AOA	Parent/Subsidiary	211,285	0.29	193,870	Under Collection	4,535	-	
AOI	AOE	Parent/Subsidiary	131,896	1.44	98,336	Under Collection	55,367	-	
AOI	The Company	Parent/Subsidiary	773,965	8.47	-	-	774,291	-	
AGT	The Company	Parent/Subsidiary	206,865	5.10	44,111	Under Collection	119,985	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
ADSC	The Company	Parent/Subsidiary	150,000	-	-	-	-	-	
AAC	AMEX	Fellow subsidiary	346,531	4.50	126,111	Under Collection	126,111	-	
AAC	ASC	Fellow subsidiary	402,541	5.08	82	Under Collection	51	-	
AAH	AAC	Parent/Subsidiary	4,815,423	-	-	-	-	-	
ACCQ	The Company	Parent/Subsidiary	537,986	-	-	-	-	-	
ACF	AEG	Fellow subsidiary	796,215	0.35	47,296	Under Collection	47,296	-	
ACG	AEG	Fellow subsidiary	1,828,209	0.26	-	-	2,243	-	
ACH	AEG	Fellow subsidiary	383,937	0.04	6,389	Under Collection	6,389	-	
AEG	ACF	Fellow subsidiary	133,779	5.08	-	-	-	-	
AEG	ACG	Fellow subsidiary	2,686,232	3.97	111,289	Under Collection	281,193	-	
AEG	ACH	Fellow subsidiary	646,864	3.46	281	Under Collection	281	-	
AEG	AIB	Fellow subsidiary	414,947	4.93	-	-	-	-	
AEG	AIT	Fellow subsidiary	1,505,382	5.30	-	-	-	-	
AEG	AUK	Fellow subsidiary	1,411,458	3.14	358,438	Under Collection	359,473	-	
AEG	CPY	Fellow subsidiary	354,789	2.94	134,039	Under Collection	52,454	-	
AHN	ENNL	Parent/Subsidiary	119,806	-	-	-	-	-	
AIB	AEG	Fellow subsidiary	535,667	0.51	-	-	-	-	
AIL	ALIN	Fellow subsidiary	305,642	3.07	-	-	-	-	
AIT	AEG	Fellow subsidiary	1,152,926	0.23	-	-	-	-	
APHI	The Company	Parent/Subsidiary	102,667	3.40	-	-	-	-	
ASC	AAC	Fellow subsidiary	173,847	10.05	-	-	-	-	
AUK	AEG	Fellow subsidiary	570,720	0.16	-	-	-	-	
ENPL	ENNL	Fellow subsidiary	114,690	2.02	-	-	-	-	
GCN	ACCQ	Fellow subsidiary	107,784	1.56	2,087	Under Collection	69,056	-	
GWJ	CRI	Fellow subsidiary	368,820	-	-	-	-	-	

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, 2023

Table 7

(Amounts in Thousands of New Taiwan Dollars)

Intercompany relationships and significant intercompany transactions for the year ended December 31, 2023 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	4,956,844	OA60	2.05%
0	The Company	AMI	1	Sales	3,348,687	OA90	1.39%
0	The Company	ATH	1	Sales	3,466,520	OA60	1.44%
0	The Company	ASSB	1	Sales	2,451,512	OA60	1.02%
0	The Company	ACCQ	1	Sales	8,903,705	OA60	3.69%
0	The Company	AAC	1	Sales	44,017,585	OA90	18.24%
0	The Company	AIN	1	Sales	4,122,475	OA90	1.71%
0	The Company	AIL	1	Sales	8,267,854	OA150	3.43%
0	The Company	AEG	1	Sales	49,209,858	OA60	20.39%
0	The Company	AIL	1	Accounts receivable	4,333,513	OA150	2.08%
1	AEG	ASIN	3	Sales	13,934,588	OA60	5.77%
1	AEG	ACG	3	Sales	12,765,410	OA60	5.29%
1	AEG	AUK	3	Sales	5,196,691	OA60	2.15%
1	AEG	ACF	3	Sales	4,693,806	OA60	1.95%
1	AEG	ACH	3	Sales	2,743,047	OA60	1.14%
1	AEG	AIT	3	Sales	4,029,912	OA60	1.67%
1	AEG	AIB	3	Sales	3,139,298	OA60	1.30%
1	AEG	ACG	3	Accounts receivable	2,686,232	OA60	1.29%
2	AMI	AIN	2	Sales	3,822,308	OA90	1.58%
3	AAH	AAC	1	Other receivables	4,815,423	-	2.31%
4	AOI	The Company	2	Sales	4,911,590	EM60	2.04%

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, 2023

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, 2023			Maximum ownership during 2023		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	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	2,076,858	66,215	100.00	81,371	81,371	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	28,544,110	1,263,432	92.02	(146,287)	(134,606)	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	19,502,239	147	100.00	(366,713)	(366,713)	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	15,750,004	191,155	100.00	(479,802)	(479,802)	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	43,407	1,421	24.18	91,452	1,421	24.86	9,817	1,855	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	-	5,658,111	-	-	-	158,475	100.00	3,215	3,215	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	6,957,928	1,299,817	850	100.00	3,535,915	850	100.00	53,004	53,004	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,362,550	1,362,550	13,296	59.88	774,962	13,296	59.88	190,587	114,096	Parent/Subsidiary
The Company	WLI	Taiwan	Sale of computers and communication products	728,694	728,694	48,073	58.93	1,279,493	48,073	58.93	412,703	243,192	Parent/Subsidiary
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,993,697	6,993,697	39,309	63.54	2,268,145	39,309	65.51	121,263	70,976	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,958,997	130,308	100.00	247,299	247,299	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	441	66.81	7,588	441	66.81	(92)	(62)	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	693,168	333,155	34,264	43.68	619,886	34,264	43.68	232,207	89,071	Parent/Subsidiary
The Company	HSNC	Taiwan	Repair and maintenance of IT products	102,419	102,419	10,242	63.18	128,051	10,242	63.18	24,567	15,522	Parent/Subsidiary
The Company	SFT	Taiwan	R&D, manufacturing and sales of technology application products	172,000	132,000	24,000	100.00	91,105	24,000	100.00	(6,591)	(8,811)	Parent/Subsidiary
The Company	AST	Taiwan	System integration service	404,558	288,390	12,640	56.94	507,034	12,640	56.94	64,212	36,473	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	181,030	271,642	14,984	59.94	189,205	22,484	89.94	18,912	17,009	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	893,639	893,639	24,449	69.85	824,549	24,449	69.85	59,333	41,447	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	1,077,189	107,719	100.00	1,066,869	107,719	100.00	(8,148)	(8,148)	Parent/Subsidiary
The Company	ABI	Taiwan	Sales of beverages and related products	25,000	15,000	1,000	100.00	2,487	1,500	100.00	(12,662)	(12,662)	Parent/Subsidiary
The Company	ASSB	Malaysia	Sale of brand-name IT products	1,193,559	1,193,559	30,969	100.00	1,397,955	30,969	100.00	49,426	49,426	Parent/Subsidiary
The Company	ACS	Singapore	Sale of brand-name IT products	171,997	171,997	3,985	100.00	237,770	3,985	100.00	11,561	11,561	Parent/Subsidiary
The Company	CHC	Taiwan	Energy technical services	50,000	50,000	5,000	41.67	45,306	5,000	41.67	(10,096)	(4,207)	Associate
The Company	ATBD	Singapore	Real estate and related management business	-	-	1	100.00	(578)	100	100.00	(585)	(585)	Parent/Subsidiary
The Company	HRC	Taiwan	Energy technical services	300,000	-	30,000	60.00	300,081	30,000	60.00	135	81	Joint Venture
HSNC	HSNT	Thailand	After-sale and value-added services of IT products	2,345	2,345	25	100.00	13,672	25	100.00	7,612	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	After-sale and value-added services of IT products	30,501	30,501	990	99.00	45,693	990	99.00	2,761	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	After-sale and value-added services of IT products	87,268	87,268	1,000	100.00	124,446	1,000	100.00	24,791	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	After-sale and value-added services of IT products	6,357	6,357	106	100.00	43,255	106	100.00	11,519	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	After-sale and value-added services of IT products	4,192	4,192	-	100.00	5,603	-	100.00	1,548	Note 1	Parent/Subsidiary
AST	ASM	Taiwan	Human resources and project service	66,805	20,000	6,063	60.63	83,306	6,564	100.00	8,589	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	14,000	1	100.00	33,186	1	100.00	9,060	Note 1	Parent/Subsidiary
AST	SPE	Taiwan	Plant engineering planning and construction	99,700	99,700	3,474	29.21	123,839	3,474	33.33	65,400	Note 1	Parent/Subsidiary
ASM	ASMA	U.S.A.	Human resources and project service	15,759	-	1	100.00	15,246	1	100.00	(124)	Note 1	Parent/Subsidiary
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	28,434	1,244	24.88	30,822	Note 1	Associate
ADSC	KBest	Taiwan	Development and manufacturing of radio and microwave equipment	130,720	130,720	4,713	29.84	64,142	4,713	29.84	108,298	Note 1	Associate
ADSC	ENP	Taiwan	Manufacturing of lithium battery module	19,000	15,000	1,900	95.00	5,198	1,900	95.00	(2,672)	Note 1	Parent/Subsidiary
ADSC	AST	Taiwan	System integration service	13,056	8,998	245	1.10	9,830	245	1.10	64,212	Note 1	Fellow subsidiaries
ADSC	ACSI	Taiwan	Cyber security service	18,720	18,720	195	0.88	11,366	195	0.88	190,587	Note 1	Fellow subsidiaries
ADSC	AGM	Taiwan	Agency of video game console and peripherals	4,582	4,582	63	0.18	2,117	63	0.18	59,333	Note 1	Fellow subsidiaries
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	9,369	452	9.05	30,822	Note 1	Associate
CCI	DZH	Cayman Islands	Investment and holding activity	845,523	-	100	100.00	853	100	100.00	-	Note 1	Parent/Subsidiary
CCI	ATB	Brazil	Sale of brand-name IT products	304,540	-	2	-	305	2	-	(691,698)	Note 1	Fellow subsidiaries
CCI	ALIN	Indonesia	Sale of brand-name IT products	161,621	-	163	1.00	300	163	1.00	14,884	Note 1	Fellow subsidiaries
CCI	AIN	India	Sale of brand-name IT products	3,484	-	1	-	3	1	-	114,183	Note 1	Fellow subsidiaries

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2023			Maximum ownership during 2023		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
WLI	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,301	882	30.22	6,777	Note 1	Associate
WLI	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	28,323	1,000	100.00	16,881	Note 1	Parent/Subsidiary
WLI	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	331,601	6,000	20.00	267,166	Note 1	Associate
WLI	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	1,091	75	75.00	441	Note 1	Parent/Subsidiary
WLI	Bluechip	Australia	Sale of computer peripherals and software system	22,411	22,411	434	7.38	21,833	434	7.59	9,817	Note 1	Fellow subsidiaries
WLI	PAM	Taiwan	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	628,483	628,483	14,340	62.53	565,987	14,340	62.53	15,361	Note 1	Parent/Subsidiary
PAM	PAL	British Virgin Islands	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36,979	36,979	70	100.00	36,944	70	100.00	(2,210)	Note 1	Parent/Subsidiary
PAM	DCL	Samoa	Investment and holding activity	135,924	135,924	650	100.00	98,341	650	100.00	(22,529)	Note 1	Parent/Subsidiary
PAM	CRI	U.S.A.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	99,078	99,078	2,000	100.00	161,594	2,000	100.00	31,218	Note 1	Parent/Subsidiary
PAM	PRV	Vietnam	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	14,940	2,880	1	100.00	12,668	1	100.00	(1,229)	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,480,930	109,639	7.98	(146,287)	Note 1	Fellow subsidiaries
ACTI	GPI	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.85	159,195	436	28.85	9,894	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(380)	100	100.00	2,274	Note 1	Parent/Subsidiary
Bluechip	DTP	Australia	Investment and holding activity	110,110	110,110	1	100.00	2	1	100.00	-	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	69,343	3,600	100.00	96,708	3,600	100.00	844	Note 1	Parent/Subsidiary
Bluechip	MIA	Australia	Sale of computer peripherals and software system	149,329	149,329	719	100.00	180,035	719	100.00	(8,648)	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	276,559	276,559	26,304	63.46	1,245,420	26,304	63.46	501,328	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	(64,782)	2,900	100.00	(21,246)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	179,111	179,111	9,750	94.20	79,341	9,750	94.20	2,496	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	68,427	6,581	78.59	6,734	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	523,384	394,772	15,750	100.00	90,906	34,308	100.00	(42,925)	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	267,834	10,279	67.51	149,829	10,279	67.51	(38,181)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(12,606)	1,225	49.00	(1,666)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle speedometer	38,173	38,173	2,310	100.00	14,296	2,310	100.00	284	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	62,676	50,676	2,900	100.00	25,534	2,900	100.00	(2,764)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(13,122)	1,275	51.00	(1,666)	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	(71,107)	2,500	100.00	(6,926)	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	(28,853)	6,029	100.00	(5,627)	Note 1	Parent/Subsidiary
AEB	DIS	Taiwan	Wholesale of packaged software	10,125	10,125	675	20.00	9,738	675	20.00	4,215	Note 1	Associate
ITS	TOB	Taiwan	Professional parking lot management services and intelligent parking equipment	97,661	-	1,661	16.13	97,661	1,661	16.13	-	Note 1	Associate
AGM	AGMPH	Philippines	Agency of video game console and peripherals	8,340	8,340	154	100.00	32,084	154	100.00	15,044	Note 1	Parent/Subsidiary
AGM	WKS	Cayman Islands	Investment and holding activity	692,872	641,544	142,538	50.96	724,835	12,337	54.96	48,145	Note 1	Parent/Subsidiary
API	APDI	Taiwan	Solar optronics business	37,446	37,446	2,958	100.00	39,230	2,958	100.00	1,353	Note 1	Parent/Subsidiary
API	ASDI	Taiwan	Hotel management service	73,758	73,758	5,000	100.00	117,104	5,000	100.00	53,838	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	10,000	1,000	100.00	4,992	1,000	100.00	(930)	Note 1	Parent/Subsidiary
ACSI	EDC	Taiwan	Business continuity plan and IT operation outsourcing services	475,748	475,748	44,462	100.00	599,351	44,462	100.00	116,671	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	570	9.70	36,691	570	9.97	9,817	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	(192,952)	15,000	100.00	(23,382)	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1.00	100.00	34,394	1	100.00	(10,887)	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Investment and holding activity	1,623	1,623	50	100.00	314,177	50	100.00	3,151	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	27,332	1	100.00	711	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	15,000	60,000	1,500	100.00	12,902	4,000	100.00	(672)	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	(15,374)	105	70.00	(35,143)	Note 1	Parent/Subsidiary
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	363,284	363,284	6,399	16.60	328,903	6,399	16.60	164,379	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	2	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	2,389	1	100.00	(11,012)	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, 2023

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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2023		Share of profits/losses of investee	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	92,205	1	92,205	-	-	92,205	1,445	100.00	-	100.00	1,445	(5,717)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	46,103	2	-	-	-	-	10,189	100.00	-	100.00	10,189	175,868	-
Acer Computer (Shanghai) Ltd.	Repair and maintenance of IT products	61,470	2	61,470	-	-	61,470	33,848	100.00	-	100.00	33,848	1,255,923	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,610,250	2	4,733,190 (Note 2)	-	-	4,733,190	(1,058,689)	100.00	-	100.00	(1,058,689)	3,305,368	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	153,675	1	153,675	-	-	153,675	(13,213)	100.00	-	100.00	(13,213)	6,921	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	25,973	1	Note 3	-	-	-	(20,466)	30.00	-	30.00	(6,140)	-	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	9,239	1	9,239	-	-	9,239	(41)	100.00	-	100.00	(41)	4,981	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	12,987	1	Note 3	-	-	-	(23,572)	30.00	-	30.00	(7,072)	-	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,329	1	4,329	-	-	4,329	102	100.00	-	100.00	102	9,012	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,047	1	19,047	-	-	19,047	1,496	100.00	-	100.00	1,496	28,157	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	114	100.00	-	100.00	114	29,131	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	15,368	1	15,368	-	-	15,368	19,711	100.00	-	100.00	19,711	64,766	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(4,547)	100.00	-	100.00	(4,547)	7,972	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	7,193	100.00	-	100.00	7,193	302,226	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	19,960	2	-	-	-	-	(22,193)	100.00	-	100.00	(22,193)	95,652	-
Shanghai Winking Entertainment Limited	Holding activity, art outsourcing and game development headquarter	433,759	2	-	-	-	-	3,104	100.00	-	100.00	1,582	142,698	-
Shanghai Wishing Entertainment Limited	Management of collaborative art design and IP licensing in Mainland China	89,469	2	-	-	-	-	1,409	100.00	-	100.00	718	8,871	-
Nanjing Winking Entertainment Ltd	Art outsourcing	86,403	2	-	-	-	-	(38,472)	100.00	-	100.00	(19,606)	81,603	-
Acer e-Enabling Service Business (Shang-Hai) Ltd.	Sales of information software and information consulting service	46,103	1	-	46,103	-	46,103	(458)	100.00	-	100.00	(458)	45,721	-

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.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)(Note 5)(Note 6)(Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 4)(Note 5)(Note 6)(Note 7)	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company and Subsidiaries	\$5,768,440 (US\$187,683,082)	\$8,139,884 (264,840,852.98)	\$48,205,239 (Note)

Note 4: 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 amount of US\$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 5: 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 6: As a result of the acquisition of WKS, 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 7: AGM made indirect investment in Mainland China through a holding company (WKS) established in other countries.

The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.735 as of December 31, 2023.

Note: Calculated based on 60% of the consolidated net equity value.

Appendix I I

2023 Parent-Company-Only Financial Statements

ACER INCORPORATED**Parent-Company-Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022**

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

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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the financial statements of Acer Incorporated (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2023 and 2022, and its parent-company-only financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Financial Statements section of our report. We are independent of the Company 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2023 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 allowances, respectively, to the parent-company-only financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Valuation of inventories

Refer to Note 4(g) for the accounting policies on inventory valuation, Note 5(b) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(e) for the details of the write-down of inventories, respectively, to the parent-company-only 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, the Company's product price may fluctuate rapidly. Furthermore, the stocks for products and key components may exceed customers' demands thus becoming obsolete. These factors expose the Company to significant level of uncertainty particularly in the area of estimating net realizable value, which is subject to management's judgments. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

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

3. Impairment of goodwill from investment in subsidiaries

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial parent-company-only 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 parent-company-only 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 parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, base on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shih, Wei-Ming and Kao, Ching-Wen.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2024

Notes to Readers

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

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

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

ACER INCORPORATED**Parent-Company-Only Balance Sheets****December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 18,363,188	12	16,424,913	12
1110	Financial assets measured at fair value through profit or loss — current (note 6(b))	59,412	-	125,665	-
1136	Financial assets measured at amortized cost — current (note 6(g))	461,025	-	-	-
1170	Notes and accounts receivable, net (notes 6(c) & (v))	4,037,018	3	3,569,975	3
1180	Notes and accounts receivable from related parties (notes 6(c) & (v) and 7)	13,018,418	9	12,743,460	9
1200	Other receivables, net (note 6(d))	411,520	-	152,614	-
1210	Other receivables from related parties (notes 6(d) and 7)	1,217,952	1	1,049,499	1
1220	Current income tax assets	101,880	-	56,483	-
130X	Inventories (note 6(e))	13,780,973	9	12,515,946	9
1476	Other financial assets — current (note 6(a))	1,239,900	1	10,500	-
1479	Other current assets	<u>473,761</u>	<u>-</u>	<u>239,666</u>	<u>-</u>
	Total current assets	<u>53,165,047</u>	<u>35</u>	<u>46,888,721</u>	<u>34</u>
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income — non-current (note 6(f))	10,112,654	7	6,465,744	5
1536	Financial assets measured at amortized cost — non-current (note 6(g))	4,211,756	3	797,782	1
1550	Investments accounted for using the equity method (note 6(h))	78,036,358	51	77,041,422	56
1600	Property, plant and equipment (note 6(i))	1,805,810	1	1,754,509	1
1755	Right-of-use assets (note 6(j))	80,633	-	120,214	-
1760	Investment property (note 6(k))	827,742	1	824,318	1
1780	Intangible assets (note 6(l))	179,704	-	179,677	-
1840	Deferred income tax assets (note 6(s))	3,081,892	2	3,082,794	2
1980	Other financial assets — non-current (note 8)	152,782	-	148,466	-
1990	Other non-current assets	<u>34,547</u>	<u>-</u>	<u>46,457</u>	<u>-</u>
	Total non-current assets	<u>98,523,878</u>	<u>65</u>	<u>90,461,383</u>	<u>66</u>
	Total assets	<u>\$ 151,688,925</u>	<u>100</u>	<u>137,350,104</u>	<u>100</u>

(Continued)

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

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

ACER INCORPORATED
Parent-Company-Only Balance Sheets (Continued)
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and Equity					
Current liabilities:					
2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b))	\$ 490,931	-	714,504	1
2130	Contract liabilities – current (note 6(v))	10,855	-	8,809	-
2170	Accounts payable	30,956,168	20	21,099,402	15
2180	Accounts payable to related parties (note 7)	1,201,326	1	758,286	1
2200	Other payables (note 6(w))	21,264,177	14	24,676,398	18
2220	Other payables to related parties (note 7)	468,815	-	2,895,984	2
2230	Current tax liabilities (note 6(p) and 9)	1,666,225	1	1,891,249	1
2250	Provisions – current	797,244	1	1,011,266	1
2280	Lease liabilities – current (note 6(o))	54,885	-	63,209	-
2365	Refund liabilities – current	2,644,086	2	2,781,608	2
2399	Other current liabilities	<u>27,030</u>	<u>-</u>	<u>276,737</u>	<u>-</u>
	Total current liabilities	<u>59,581,742</u>	<u>39</u>	<u>56,177,452</u>	<u>41</u>
Non-current liabilities:					
2530	Bonds payable (note 6(n))	10,000,000	7	10,000,000	7
2540	Long-term debt (note 6(m))	1,500,000	1	-	-
2570	Deferred income tax liabilities (note 6(s))	5,227,538	4	4,530,059	4
2580	Lease liabilities – non-current (note 6(o))	27,436	-	57,923	-
2600	Other non-current liabilities (note 6(r))	612,332	-	624,079	-
2622	Long-term payable to related parties (note 7)	<u>13,353</u>	<u>-</u>	<u>13,134</u>	<u>-</u>
	Total non-current liabilities	<u>17,380,659</u>	<u>12</u>	<u>15,225,195</u>	<u>11</u>
	Total liabilities	<u>76,962,401</u>	<u>51</u>	<u>71,402,647</u>	<u>52</u>
Equity (note 6(f),(h) & (t)):					
3110	Common stock	30,478,538	20	30,478,538	22
3200	Capital surplus	27,805,176	18	27,795,883	20
3300	Retained earnings	18,490,986	12	14,897,145	11
3400	Other equity	664,598	1	(4,309,253)	(3)
3500	Treasury stock	<u>(2,712,774)</u>	<u>(2)</u>	<u>(2,914,856)</u>	<u>(2)</u>
	Total equity	<u>74,726,524</u>	<u>49</u>	<u>65,947,457</u>	<u>48</u>
	Total liabilities and equity	<u>\$ 151,688,925</u>	<u>100</u>	<u>137,350,104</u>	<u>100</u>

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

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

ACER INCORPORATED**Parent-Company-Only Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (notes 6(v) and 7)	\$ 150,992,910	100	169,284,764	100
5000	Cost of revenue (notes 6(e) & (p) and 7)	(143,493,770)	(95)	(159,192,798)	(94)
	Gross profit	<u>7,499,140</u>	<u>5</u>	<u>10,091,966</u>	<u>6</u>
5920	Realized (unrealized) gross profit on sales to subsidiaries, associates and joint ventures	(37,423)	-	40,330	-
	Realized gross profit	<u>7,461,717</u>	<u>5</u>	<u>10,132,296</u>	<u>6</u>
	Operating expenses (notes 6(c), (i), (j), (k), (l), (o), (p), (q), (r) & (w), 7 and 12):				
6100	Selling expenses	(1,400,978)	(1)	(2,772,572)	(1)
6200	General and administrative expenses	(1,054,664)	(1)	(1,283,169)	(1)
6300	Research and development expenses	(1,612,880)	(1)	(1,991,463)	(1)
	Total operating expenses	<u>(4,068,522)</u>	<u>(3)</u>	<u>(6,047,204)</u>	<u>(3)</u>
6500	Other operating income and expenses, net (notes 6(o), (q) & (x) and 7)	<u>130,515</u>	<u>-</u>	<u>132,051</u>	<u>-</u>
	Operating income	<u>3,523,710</u>	<u>2</u>	<u>4,217,143</u>	<u>3</u>
	Non-operating income and loss:				
7100	Interest income (notes 6(y) and 7)	822,112	1	74,621	-
7010	Other income (note 6(y))	400,382	-	519,988	-
7020	Other gains and losses (notes 6(y) and 7)	1,574,350	1	(59,447)	-
7050	Finance costs (notes 6(o) & (y) and 7)	(92,086)	-	(113,533)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(h))	60,104	-	1,721,078	1
	Total non-operating income and loss	<u>2,764,862</u>	<u>2</u>	<u>2,142,707</u>	<u>1</u>
	Income before taxes	<u>6,288,572</u>	<u>4</u>	<u>6,359,850</u>	<u>4</u>
7950	Income tax expenses (note 6(s))	<u>(1,356,628)</u>	<u>(1)</u>	<u>(1,356,162)</u>	<u>(1)</u>
	Net Income	<u>4,931,944</u>	<u>3</u>	<u>5,003,688</u>	<u>3</u>
	Other comprehensive income (loss) (notes 6(f), (h), (r), (s) & (t)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	4,508	-	89,278	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	7,165,914	5	(1,127,724)	(1)
8330	Share of other comprehensive income of subsidiaries and associates	618,551	-	386,990	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(902)	-	(17,856)	-
	Total items that will not be reclassified subsequently to profit or loss	<u>7,788,071</u>	<u>5</u>	<u>(669,312)</u>	<u>(1)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	421,565	-	4,595,828	3
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	<u>421,565</u>	<u>-</u>	<u>4,595,828</u>	<u>3</u>
	Other comprehensive income (loss), net of taxes	<u>8,209,636</u>	<u>5</u>	<u>3,926,516</u>	<u>2</u>
	Total comprehensive income for the year	<u>\$ 13,141,580</u>	<u>8</u>	<u>8,930,204</u>	<u>5</u>
	Earnings per share (in New Taiwan dollars) (note 6(u)):				
9750	Basic earnings per share	\$ <u>1.64</u>		\$ <u>1.67</u>	
9850	Diluted earnings per share	\$ <u>1.64</u>		\$ <u>1.65</u>	

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Treasury stock	Total equity	
Balance at January 1, 2022	\$ 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
Net income for the year	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,595,828	(1,204,929)	535,617	3,926,516	-	3,926,516
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
Appropriation and distribution of retained earnings:												
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)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	107,298	-	-	-	-	-	-	-	-	-	107,298
Share of changes in equity of associates	-	(2,746)	-	-	-	-	-	-	-	-	-	(2,746)
Changes in ownership interests in subsidiaries	-	154,065	-	-	-	-	(287)	5,195	7,486	12,394	-	166,459
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	12,345	-	-	-	-	-	-	-	-	-	12,345
Organizational restructuring under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	2,083
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,350
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
Balance at December 31, 2022	<u>30,478,538</u>	<u>27,795,883</u>	<u>2,515,341</u>	<u>7,398,192</u>	<u>4,983,612</u>	<u>14,897,145</u>	<u>(4,219,903)</u>	<u>(409,726)</u>	<u>320,376</u>	<u>(4,309,253)</u>	<u>(2,914,856)</u>	<u>65,947,457</u>
Net income for the year	-	-	-	-	4,931,944	4,931,944	-	-	-	-	-	4,931,944
Other comprehensive income (loss) for the year	-	-	-	-	-	-	421,565	7,813,884	(25,813)	8,209,636	-	8,209,636
Total comprehensive income (loss) for the year	-	-	-	-	4,931,944	4,931,944	421,565	7,813,884	(25,813)	8,209,636	-	13,141,580
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	495,986	-	(495,986)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(84,251)	84,251	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119
Disposal of the Company's share by subsidiaries recognized as treasury share transactions	-	73,115	-	-	-	-	-	-	-	-	202,082	275,197
Share of changes in equity of associates	-	1,640	-	-	-	-	-	-	-	-	-	1,640
Changes in ownership interests in subsidiaries	-	(117,115)	-	-	-	-	(1,364)	(431)	(312)	(2,107)	-	(119,222)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(19,538)	-	-	-	-	-	-	-	-	-	(19,538)
Organizational restructuring under common control	-	252	-	-	-	-	-	-	-	-	-	252
Stock option compensation cost of subsidiaries	-	820	-	-	-	-	-	-	-	-	-	820
Disposal of financial assets measured at fair value through other comprehensive income by the Company	-	-	-	-	3,212,026	3,212,026	-	(3,212,026)	-	(3,212,026)	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	21,652	21,652	-	(21,652)	-	(21,652)	-	-
Balance at December 31, 2023	<u>\$ 30,478,538</u>	<u>27,805,176</u>	<u>3,011,327</u>	<u>7,313,941</u>	<u>8,165,718</u>	<u>18,490,986</u>	<u>(3,799,702)</u>	<u>4,170,049</u>	<u>294,251</u>	<u>664,598</u>	<u>(2,712,774)</u>	<u>74,726,524</u>

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

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

ACER INCORPORATED**Parent-Company-Only Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 6,288,572	6,359,850
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	150,584	144,017
Amortization	44,723	23,271
Net loss (gain) on financial assets measured at fair value through profit or loss	1,844	(907)
Effects of exchange rate changes in financial assets measured at amortized cost	(2,449)	(57,817)
Interest expense	92,086	113,533
Interest income	(822,112)	(74,621)
Dividend income	(400,382)	(519,988)
Share of profits of subsidiaries, associates and joint ventures	(60,104)	(1,721,078)
Gain on disposal of equipment and intangible assets	(418)	(670)
Gain on disposal of investments	(3,967)	-
Loss on liquidation of subsidiaries	-	2,301
Gain on bargain purchase	(2,216)	-
Property, Plant and equipment reclassified to cost	323	-
Unrealized (realized) profit from sales to subsidiaries, associates and joint ventures	37,423	(40,330)
Total adjustments for profit or loss	<u>(964,665)</u>	<u>(2,132,289)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(159,164)	887,025
Notes and accounts receivable	(467,043)	2,765,789
Notes and accounts from related parties	(274,958)	24,775,065
Inventories	(1,269,222)	3,687,416
Other receivables and other current assets	(447,761)	112,354
Other non-current assets	10,596	(7,369)
Changes in operating assets	<u>(2,607,552)</u>	<u>32,220,280</u>
Changes in operating liabilities:		
Accounts payable	9,856,766	(26,878,442)
Payables to related parties	(2,146,537)	2,732,230
Refund liabilities	(137,522)	(854,679)
Other payables and other current liabilities	(3,662,347)	(2,041,977)
Provisions	(214,022)	176,541
Contract liabilities	2,046	(703)
Other non-current liabilities and long-term payables to related parties	(7,020)	(33,488)
Changes in operating liabilities	<u>3,691,364</u>	<u>(26,900,518)</u>
Cash provided by operations	6,407,719	9,547,323
Interest received	752,829	66,508
Income taxes paid	(929,570)	(2,716,260)
Net cash provided by operating activities	<u>6,230,978</u>	<u>6,897,571</u>

(Continued)

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

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

ACER INCORPORATED**Parent-Company-Only Statements of Cash Flows (Continued)****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(766,817)	(902,926)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	4,285,821	-
Acquisition of financial assets measured at amortized cost	(3,859,633)	(739,775)
Additions to investments accounted for using the equity method	(826,182)	(3,001,210)
Proceeds from disposal of investments accounted for using the equity method	100,946	509,697
Proceeds from capital reduction or liquidation of investments accounted for using the equity method	397,320	11,044
Acquisition of property, plant and equipment and investment property	(120,096)	(76,739)
Proceeds from disposal of equipment and intangible assets	627	670
Increase in receivables from related parties	(157,327)	(423,010)
Acquisition of intangible assets	(28,544)	(25,960)
Decrease (increase) in other financial assets	(1,233,716)	1,601
Increase in assets recognized from costs to fulfill contracts with customers	(14,891)	-
Dividends received	1,011,609	980,389
Net cash flows used in investing activities	<u>(1,210,883)</u>	<u>(3,666,219)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	-	5,077,804
Decrease in short-term borrowings	-	(5,077,804)
Increase in long-term debt	1,500,000	-
Payment of lease liabilities	(80,780)	(83,477)
Increase (decrease) in loans from related parties	160,000	(225,000)
Cash dividends	(4,571,781)	(6,949,107)
Interest paid	(89,259)	(113,533)
Net cash flows used in financing activities	<u>(3,081,820)</u>	<u>(7,371,117)</u>
Net increase (decrease) in cash and cash equivalents	1,938,275	(4,139,765)
Cash and cash equivalents at beginning of period	<u>16,424,913</u>	<u>20,564,678</u>
Cash and cash equivalents at end of period	<u><u>\$ 18,363,188</u></u>	<u><u>16,424,913</u></u>

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

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

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

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

2. Authorization of the parent-company-only financial statements

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

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 Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- 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”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
 - Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”
- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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”
- Amendments to IAS21 “Lack of Exchangeability”

4. Summary of material accounting policies

The material accounting policies presented in the parent-company-only financial statements are summarized as follows. The following accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The accompanying parent-company-only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (the “Regulations”).

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent-company-only 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 the Company is determined based on the primary economic environment in which the Company operates. The Company’s parent-company-only 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.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (“the reporting date”), 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 Company’s parent-company-only 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 Company’s parent-company-only 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 Company 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 Company’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.

(d) 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.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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 Company 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.

(e) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and 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 that 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.

(f) 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 Company 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.

(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 Company 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 (SPPI) on the principal amount outstanding.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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 Company 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 Company'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 (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company 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.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

4) Impairment of financial assets

The Company 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 Company 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 Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company 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 Company’s historical experience and credit assessment, as well as forward-looking information.

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 Company in accordance with the contract and the cash flows that the Company 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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company 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 Company 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 Company’s procedures for recovery of amounts due.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

5) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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 Company 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 Company after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less the direct issuing cost.

3) Treasury stock

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.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Company 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 Company 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 Company 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.

(g) 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.

(h) Investments accounted for using the equity method

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

An associate is an entity in which the Company 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. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

The Company 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 Company 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 Company 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 policies applied by the Company.

When the Company'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 Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company 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 Company 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 Company reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company 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).

When the Company 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 Company's proportionate interest in the net assets of the associate. The Company 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 Company'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.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

A joint venture is a joint arrangement whereby the Company has joint control of the arrangement (i.e. joint ventures) in which the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Company 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 Company qualifies for exemption from that Standard.

When assessing the classification of a joint arrangement, the Company 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 Company reevaluates whether the classification of the joint arrangement has changed.

(i) Investments in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Carrying amount of investments in subsidiaries includes goodwill arising from initial recognition less any accumulated impairment losses, which is recognized as a reduction of carry amount. Under the equity method, profit or loss and other comprehensive income recognized in parent-company-only financial statement is in line with total comprehensive income attributable to owners of the Parent in the consolidated financial statements. In addition, changes in equity recognized in parent-company-only financial statement is in line with the changes in equity attributable to owners of parent in the consolidated financial statements. Changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

The Company uses acquisition method for acquisitions of subsidiaries. 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 Company 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.

In an acquisition of new subsidiary achieved in stages, the Company 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 Company’s equity interest should be reclassified to profit or loss on the same basis as would be required if the Company 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.

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

(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 Company.

(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 - 3 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.

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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 Company 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 Company 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 Company's incremental borrowing rate. Generally, the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Company's assessment on whether it will exercise an option to purchase the underlying asset, or;

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- there is a change in the lease term resulting from a change of the Company'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 Company 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 Company 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 Company 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 Company 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 parent-company-only balance sheets.

The Company 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 Company 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 Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company 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 Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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(m) Intangible assets

(i) Goodwill

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

(ii) Trademarks

Trademarks are measured at cost. 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. 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 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: 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 Company 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.

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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.

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 Company expects to be entitled in exchange for transferring goods or services to a customer. The Company 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 Company's main types of revenue are explained below.

1) Sale of goods

The Company 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 Company has objective evidence that all criteria for acceptance have been satisfied.

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The Company 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.

The Company'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(p) for more explanation.

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

2) Revenue from service rendered

The Company 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 Company exceed the payments, a contract asset is recognized. If the payments exceed the accumulated revenue recognized, a contract liability is recognized.

3) Financing components

The Company 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 Company does not adjust any of the transaction prices for the time value of money.

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(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes the incremental costs of obtaining a contract with a customer as an asset if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company 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.

The Company 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 Company 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 Company 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 Company can specifically identify;
- the costs generate or enhance resources of the Company 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 Company 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 Company 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 Company without future related costs.

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

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(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 Company'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 Company 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 Company 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.

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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.

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 taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company 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 Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

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- (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) Earnings per share (“EPS”)

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

(v) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

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

The preparation of the parent-company-only financial statements in conformity with the Regulations 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 allowance)

The Company records a refund liability for estimated future allowances in the same period the related revenue is recognized. Refund liability for estimated sales 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.

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(b) Valuation of inventory

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

The Company 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(e) for further description of inventory write-downs.

(c) Impairment of goodwill from investments in subsidiaries

The assessment of impairment of goodwill requires the Company 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(h) for further description of the impairment of goodwill.

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	\$ 614	614
Bank deposits	6,782,871	5,185,171
Time deposits with original maturities less than three months	<u>11,579,703</u>	<u>11,239,128</u>
	<u>\$ 18,363,188</u>	<u>16,424,913</u>

As of December 31, 2023 and 2022, the time deposits with original maturities between three months and one year amounted to \$1,239,900 and \$10,500, respectively, which were classified as other financial assets – current.

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

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 58,595	123,004
Non-derivative financial assets		
Stocks listed on foreign markets	<u>817</u>	<u>2,661</u>
	<u>\$ 59,412</u>	<u>125,665</u>
Financial liabilities held for trading – current:		
Derivatives – Foreign currency forward contracts	<u>\$ (490,931)</u>	<u>(714,504)</u>

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

The Company entered into derivative contracts to manage foreign currency exchange risk arising from operating activities. At each reporting date, the outstanding foreign currency forward 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, 2023		
Contract amount (in thousands)	Currency	Maturity period
USD 538,000	USD / NTD	2024/01
USD 233,410	EUR / USD	2024/01~2024/05
USD 1,428	NZD / USD	2024/01~2024/02
USD 59,708	AUD / USD	2024/01~2024/05
USD 56,499	USD / JPY	2024/01~2024/12
USD 152,018	USD / INR	2024/01~2024/10
December 31, 2022		
Contract amount (in thousands)	Currency	Maturity period
USD 662,000	USD / NTD	2023/01
USD 298,162	EUR / USD	2023/01~2023/06
USD 5,757	NZD / USD	2023/01~2023/03
USD 55,082	AUD / USD	2023/01~2023/04
USD 43,386	USD / JPY	2023/01~2023/10
USD 135,967	USD / INR	2023/01~2023/07

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

	December 31, 2023	December 31, 2022
Notes receivable	\$ 14,925	5,250
Accounts receivable	4,023,554	3,566,480
Less: loss allowance	(1,461)	(1,755)
	4,037,018	3,569,975
Notes and accounts receivable from related parties (note 7(b))	13,018,418	12,743,460
	\$ 17,055,436	16,313,435

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The Company 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, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 3,198,023	0.05%	(1,461)
Past due 1-30 days	653,782	0.00%	-
Past due 31-60 days	182,985	0.00%	-
Past due 61-90 days	1,094	0.00%	-
Past due 91-180 days	2,096	0.00%	-
Past due 181 days or over	499	0.00%	-
	\$ 4,038,479		(1,461)
	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 2,789,857	0.05%	(1,460)
Past due 1-30 days	752,600	0.00%	-
Past due 31-60 days	21,095	0.00%	-
Past due 61-90 days	3,046	0.03%	(1)
Past due 91-180 days	4,784	0.19%	(9)
Past due 181 days or over	348	81.90%	(285)
	\$ 3,571,730		(1,755)

As of December 31, 2023 and 2022, no expected credit losses was provided for abovementioned notes and accounts receivable from related parties after management's assessment. The analysis was as follows:

	December 31, 2023	December 31, 2022
Current	\$ 9,940,433	8,606,720
Past due 1-30 days	2,236,952	2,061,103
Past due 31-60 days	313,628	1,201,646
Past due 61-90 days	84,674	466,288
Past due 91-180 days	287,492	276,177
Past due 181 days or over	155,239	131,526
	\$ 13,018,418	12,743,460

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Notes to Parent-Company-Only Financial Statements

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

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 1,755	1,798
Impairment loss recognized (reversed)	(294)	177
Write-off	-	(220)
Balance at December 31	<u>\$ 1,461</u>	<u>1,755</u>

(d) Other receivables, net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other receivables from related parties (note 7(b))	\$ 1,217,952	1,049,499
Reimbursement of advertising expense	135,075	62,880
Purchase discount	115,100	57,772
Interest receivable	53,462	8,222
Others	107,883	23,740
	<u>\$ 1,629,472</u>	<u>1,202,113</u>

As of December 31, 2023 and 2022, no loss allowance was provided for other receivables after management's assessment.

(e) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Raw materials	\$ 12,698,362	11,456,106
Finished goods and merchandise	740,248	709,763
Spare parts	50,213	59,573
Inventories in transit	292,150	290,504
	<u>\$ 13,780,973</u>	<u>12,515,946</u>

For the years ended December 31, 2023 and 2022, the amounts of inventories recognized as cost of revenues were \$132,395,422 and \$147,697,860, respectively, of which \$(1,299,501) and \$894,308, respectively, were the write-down of inventories (reversal of write-downs). The write-downs arose from the write-down of inventories to net realizable value. The reversal of write-downs arose from the increase in the net realizable value or the sale of inventories, and the circumstance of net realizable value of inventories being lower than the cost of inventories no longer existed.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- (f) Financial assets measured at fair value through other comprehensive income — non-current:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity investments measured at fair value through other comprehensive income:		
Domestic listed stock	\$ 9,568,286	6,143,288
Domestic unlisted stock	<u>544,368</u>	<u>322,456</u>
	<u>\$ 10,112,654</u>	<u>6,465,744</u>

The Company designated the investments shown above financial assets measured as at fair value through other comprehensive income 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 2023, the related gain accumulated in other comprehensive income of \$3,212,026 has been reclassified from other equity to retained earnings, accordingly.

- (g) Financial assets measured at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fixed Rate Corporate Bonds	<u>\$ 4,672,781</u>	<u>797,782</u>
Current	\$ 461,025	-
Non-current	<u>4,211,756</u>	<u>797,782</u>
	<u>\$ 4,672,781</u>	<u>797,782</u>

The Company 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.

- (h) Investments accounted for using the equity method

A summary of the Company's investments accounted for using the equity method is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	\$ 77,680,491	76,927,756
Associates	55,786	59,933
Joint ventures	<u>300,081</u>	<u>53,733</u>
	<u>\$ 78,036,358</u>	<u>77,041,422</u>

- (i) For the information of subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2023.
- (ii) The Company has performed an impairment test for Goodwill from investment in subsidiaries, and there was no impairment as a result of the test. Please refer to the consolidated financial statements for the year ended December 31, 2023 for the description of the impairment of goodwill.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(iii) Associates and joint venture

<u>Name of Associates and Joint Venture</u>	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Percentage of ownership</u>	<u>Carrying amount</u>	<u>Percentage of ownership</u>	<u>Carrying amount</u>
Associates	-	\$ 55,786	-	59,933
Joint Venture:				
Smart Frequency Technology Inc. ("SFT", note (i) and (ii))	-	-	55.00	53,733
Haoru Electric Co., Ltd ("HRC", note (ii))	60.00	300,081	-	-
		<u>\$ 355,867</u>		<u>113,666</u>

Note (i): On December 27, 2023, the Company acquired the remaining shares of SFT from another joint venture party and SFT has since become a wholly-owned subsidiary of the Company.

Note (ii): Based on the joint venture agreement with a third party, the Company and the other party have joint control over it. Accordingly, this investment was accounted for using the equity method.

	<u>2023</u>	<u>2022</u>
The Company's share of net loss of the associates:		
Net loss	\$ (4,147)	(97)
Other comprehensive income	-	-
Total comprehensive loss	<u>\$ (4,147)</u>	<u>(97)</u>
	<u>2023</u>	<u>2022</u>
The Company's share of net loss of the joint venture:		
Net loss	\$ (8,730)	(17,868)
Other comprehensive income	-	-
Total comprehensive loss	<u>\$ (8,730)</u>	<u>(17,868)</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(i) Property, plant and equipment

The movements of cost, and accumulated depreciation and impairment loss of the property, plant and equipment were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Computer and communication equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2023	\$ 1,427,739	2,555,537	541,439	268,222	4,792,937
Additions	-	27,919	77,836	2,613	108,368
Disposals	-	(40,922)	(57,374)	(18,112)	(116,408)
Reclassifications	-	(2,944)	3,739	-	795
Balance at December 31, 2023	<u>\$ 1,427,739</u>	<u>2,539,590</u>	<u>565,640</u>	<u>252,723</u>	<u>4,785,692</u>
Balance at January 1, 2022	\$ 1,427,739	2,541,949	534,025	275,998	4,779,711
Additions	-	29,368	17,589	12,533	59,490
Disposals	-	(6,470)	(43,017)	(20,309)	(69,796)
Reclassifications	-	(9,310)	32,842	-	23,532
Balance at December 31, 2022	<u>\$ 1,427,739</u>	<u>2,555,537</u>	<u>541,439</u>	<u>268,222</u>	<u>4,792,937</u>
Accumulated depreciation and impairment loss:					
Balance at January 1, 2023	\$ 278,877	2,022,305	490,880	246,366	3,038,428
Depreciation	-	26,932	25,731	6,463	59,126
Disposals	-	(40,838)	(57,374)	(17,987)	(116,199)
Reclassifications	-	(1,340)	(133)	-	(1,473)
Balance at December 31, 2023	<u>\$ 278,877</u>	<u>2,007,059</u>	<u>459,104</u>	<u>234,842</u>	<u>2,979,882</u>
Balance at January 1, 2022	\$ 278,877	2,007,506	492,511	260,639	3,039,533
Depreciation	-	22,892	18,781	6,036	47,709
Disposals	-	(6,470)	(43,017)	(20,309)	(69,796)
Reclassifications	-	(1,623)	22,605	-	20,982
Balance at December 31, 2022	<u>\$ 278,877</u>	<u>2,022,305</u>	<u>490,880</u>	<u>246,366</u>	<u>3,038,428</u>
Carrying amounts:					
Balance at December 31, 2023	<u>\$ 1,148,862</u>	<u>532,531</u>	<u>106,536</u>	<u>17,881</u>	<u>1,805,810</u>
Balance at December 31, 2022	<u>\$ 1,148,862</u>	<u>533,232</u>	<u>50,559</u>	<u>21,856</u>	<u>1,754,509</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(j) Right-of-use assets

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 207,464	6,117	213,581
Additions	37,604	4,365	41,969
Disposals	<u>(62,920)</u>	<u>(6,117)</u>	<u>(69,037)</u>
Balance at December 31, 2023	<u>\$ 182,148</u>	<u>4,365</u>	<u>186,513</u>
Balance at January 1, 2022	\$ 174,928	6,117	181,045
Additions	127,367	-	127,367
Disposals	<u>(94,831)</u>	<u>-</u>	<u>(94,831)</u>
Balance at December 31, 2022	<u>\$ 207,464</u>	<u>6,117</u>	<u>213,581</u>
Accumulated depreciation:			
Balance at January 1, 2023	\$ 88,709	4,658	93,367
Depreciation	79,515	2,035	81,550
Disposals	<u>(62,920)</u>	<u>(6,117)</u>	<u>(69,037)</u>
Balance at December 31, 2023	<u>\$ 105,304</u>	<u>576</u>	<u>105,880</u>
Balance at January 1, 2022	\$ 101,670	2,619	104,289
Depreciation	81,870	2,039	83,909
Disposals	<u>(94,831)</u>	<u>-</u>	<u>(94,831)</u>
Balance at December 31, 2022	<u>\$ 88,709</u>	<u>4,658</u>	<u>93,367</u>
Carrying amount:			
Balance at December 31, 2023	<u>\$ 76,844</u>	<u>3,789</u>	<u>80,633</u>
Balance at December 31, 2022	<u>\$ 118,755</u>	<u>1,459</u>	<u>120,214</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(k) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost or deemed cost:			
Balance at January 1, 2023	\$ 840,869	2,188,895	3,029,764
Additions	-	11,728	11,728
Reclassifications	-	2,944	2,944
Balance at December 31, 2023	<u>\$ 840,869</u>	<u>2,203,567</u>	<u>3,044,436</u>
Balance at January 1, 2022	\$ 840,869	2,162,336	3,003,205
Additions	-	17,249	17,249
Reclassifications	-	9,310	9,310
Balance at December 31, 2022	<u>\$ 840,869</u>	<u>2,188,895</u>	<u>3,029,764</u>
Accumulated depreciation and impairment loss:			
Balance at January 1, 2023	\$ 274,710	1,930,736	2,205,446
Depreciation	-	9,908	9,908
Reclassifications	-	1,340	1,340
Balance at December 31, 2023	<u>\$ 274,710</u>	<u>1,941,984</u>	<u>2,216,694</u>
Balance at January 1, 2022	\$ 274,710	1,916,714	2,191,424
Depreciation	-	12,399	12,399
Reclassifications	-	1,623	1,623
Balance at December 31, 2022	<u>\$ 274,710</u>	<u>1,930,736</u>	<u>2,205,446</u>
Carrying amounts:			
Balance at December 31, 2023	<u>\$ 566,159</u>	<u>261,583</u>	<u>827,742</u>
Balance at December 31, 2022	<u>\$ 566,159</u>	<u>258,159</u>	<u>824,318</u>
Fair value:			
Balance at December 31, 2023			<u>\$ 1,292,238</u>
Balance at December 31, 2022			<u>\$ 1,244,195</u>

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, 2023 and 2022, the estimated discount rate used for calculating the present value of the future cash flows was 6.57% and 6.83%, respectively.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(l) Intangible assets

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

	<u>Goodwill</u>	<u>Trademarks and trade names</u>	<u>Patent</u>	<u>Software</u>	<u>Total</u>
Net balance at January 1, 2023:					
Cost	\$ 166,604	7,489,298	1,344,680	320,325	9,320,907
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,052)	(307,880)	(9,141,230)
Net balance at January 1, 2023	<u>166,604</u>	<u>-</u>	<u>628</u>	<u>12,445</u>	<u>179,677</u>
Additions	-	-	-	28,544	28,544
Amortization	-	-	(628)	(27,889)	(28,517)
Net balance at December 31, 2023	<u>\$ 166,604</u>	<u>-</u>	<u>-</u>	<u>13,100</u>	<u>179,704</u>
Net balance at December 31, 2023:					
Cost	\$ 166,604	7,489,298	1,344,680	338,489	9,339,071
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,680)	(325,389)	(9,159,367)
	<u>\$ 166,604</u>	<u>-</u>	<u>-</u>	<u>13,100</u>	<u>179,704</u>
Net balance at January 1, 2022:					
Cost	\$ 166,604	7,489,298	1,344,680	669,019	9,669,601
Accumulated amortization and impairment loss	-	(7,489,298)	(1,342,995)	(661,494)	(9,493,787)
Net balance at January 1, 2022	<u>166,604</u>	<u>-</u>	<u>1,685</u>	<u>7,525</u>	<u>175,814</u>
Additions	-	-	-	25,960	25,960
Amortization	-	-	(1,057)	(21,040)	(22,097)
Net balance at December 31, 2022	<u>\$ 166,604</u>	<u>-</u>	<u>628</u>	<u>12,445</u>	<u>179,677</u>
Net balance at December 31, 2022:					
Cost	\$ 166,604	7,489,298	1,344,680	320,325	9,320,907
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,052)	(307,880)	(9,141,230)
	<u>\$ 166,604</u>	<u>-</u>	<u>628</u>	<u>12,445</u>	<u>179,677</u>

The amortization of intangible assets were included in operating expenses of the parent-company-only statements of comprehensive income.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(m) Long-term debt

	December 31, 2023	December 31, 2022
Secured loans	\$ 1,500,000	-
Less: current portion of long-term debt	-	-
	<u>\$ 1,500,000</u>	<u>-</u>
Unused credit facilities	<u>\$ 4,773,500</u>	<u>4,770,800</u>
Interest rates	<u>1.70%</u>	<u>-</u>

The Company pledged the time deposits of its subsidiaries as collateral to secure the bank loans.

There were no additions and repayments made for the year ended December 31, 2022.

(n) Bonds payable

	December 31, 2023	December 31, 2022
Unsecured bonds payable	<u>\$ 10,000,000</u>	<u>10,000,000</u>

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

(o) Lease liabilities

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

	December 31, 2023	December 31, 2022
Current	<u>\$ 54,885</u>	<u>63,209</u>
Non-current	<u>\$ 27,436</u>	<u>57,923</u>

Please refer to note 6(aa) for maturity analysis.

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

	2023	2022
Interest on lease liabilities	<u>\$ 1,580</u>	<u>1,469</u>
Expenses relating to short-term leases	<u>\$ -</u>	<u>9</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

	2023	2022
Total cash outflow for leases	\$ 82,360	84,955

(iv) Major terms of leases

The Company leases buildings, vehicles, office equipment, and miscellaneous equipment with lease terms ranged from 1 to 5 years. As certain leases of office and miscellaneous equipment meet the definition of short-term lease or lease of low-value assets, the Company has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

(p) Provisions – current

	Warranties	Litigation	Environmental protection	Total
Balance at January 1, 2023	\$ 731,443	214,956	64,867	1,011,266
Additions and reversals	295,936	(225,953)	57,172	127,155
Amount utilized	(295,307)	-	(57,339)	(352,646)
Effect of exchange rate changes	472	10,997	-	11,469
Balance at December 31, 2023	\$ 732,544	-	64,700	797,244
Balance at January 1, 2022	\$ 579,275	193,830	61,620	834,725
Additions	440,639	-	59,024	499,663
Amount utilized	(296,245)	-	(55,777)	(352,022)
Effect of exchange rate changes	7,774	21,126	-	28,900
Balance at December 31, 2022	\$ 731,443	214,956	64,867	1,011,266

(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 Company 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) Environmental protection

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

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(q) Operating lease

The Company leases its investment property and a part of property, plant and equipment to others. The Company 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 and note 6(i) for the information of property, plant and equipment.

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

	December 31, 2023	December 31, 2022
Less than 1 year	\$ 98,976	83,653
1 year to 2 years	81,325	63,050
2 years to 3 years	62,573	62,653
3 years to 4 years	62,573	62,573
4 years to 5 years	62,573	62,573
Over 5 years	<u>203,351</u>	<u>265,924</u>
Total undiscounted lease payments	<u>\$ 571,371</u>	<u>600,426</u>

In 2023 and 2022, the rental income from investment property amounted to \$65,075 and \$65,563, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized were as follows:

	2023	2022
Arising from investment property that generated rental income during the period	\$ 26,485	25,951
Arising from investment property that did not generate rental income during the period	<u>6,011</u>	<u>7,816</u>
	<u>\$ 32,496</u>	<u>33,767</u>

(r) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of benefit obligations	\$ 776,435	862,598
Fair value of plan assets	<u>(172,198)</u>	<u>(252,072)</u>
Net defined benefit liabilities (reported under other non-current liabilities)	<u>\$ 604,237</u>	<u>610,526</u>

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Notes to Parent-Company-Only Financial Statements

The Company makes 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.

1) Composition of plan assets

The pension fund (the "Fund") contributed by the Company 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 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 Company, 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.

As of December 31, 2023 and 2022, the balances of aforementioned pension funds were \$172,198 and \$252,072, respectively. 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.

2) Movements in present value of the defined benefit obligations

	<u>2023</u>	<u>2022</u>
Defined benefit obligations at January 1	\$ 862,598	945,444
Current service costs	7,430	9,005
Interest expense	14,936	5,869
Remeasurement on the net defined benefit liabilities:		
Actuarial (gain) loss arising from experience adjustments	(13,169)	23,142
Actuarial loss (gain) arising from changes in financial assumption	9,017	(99,072)
Benefits paid by the company and the plan	(104,158)	(11,487)
Liabilities transferred due to the Group's employee shift	(219)	(10,303)
Defined benefit obligations at December 31	<u>\$ 776,435</u>	<u>862,598</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

3) Movements in fair value of plan assets

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 252,072	226,570
Interest income	2,773	914
Remeasurement on the net defined benefit liabilities		
Return on plan assets (excluding amounts included in net interest expense)	356	13,348
Benefits paid by the plan	(103,187)	(11,487)
Contributions by the employer	26,829	27,752
Loss on curtailment	(6,645)	(5,025)
Fair value of plan assets at December 31	<u>\$ 172,198</u>	<u>252,072</u>

4) Changes in the effect of the asset ceiling

In 2023 and 2022, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

	<u>2023</u>	<u>2022</u>
Current service costs	\$ 7,430	9,005
Net interest expense	12,163	4,955
Loss on curtailment	6,645	5,025
	<u>\$ 26,238</u>	<u>18,985</u>
Classified under operating expense	<u>\$ 26,238</u>	<u>18,985</u>

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.625 %	1.750 %
Future salary increases rate	4.000 %	4.000 %

The Company expects to make contribution of \$26,498 to the defined benefit plans in the year following December 31, 2023. The weighted average duration of the defined benefit plans is 11.55 years.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2023 and 2022.

	December 31, 2023		December 31, 2022	
	0.25%	0.25%	0.25%	0.25%
	Increase	Decrease	Increase	Decrease
Discount rate	\$ (17,866)	18,459	(20,117)	20,774
Future salary increasing rate	\$ 17,608	(17,146)	19,840	(19,317)

The above sensitivity analysis considers the change in one assumption at a time, leaving 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.

(ii) Defined contribution plans

The Company contributes 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 Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2023 and 2022, the Company recognized pension expenses of \$86,671 and \$85,098, respectively, which had been contributed to the Bureau of Labor Insurance, in relation to the defined contribution plans.

(s) Income taxes

(i) The components of income tax expense were as follows:

	2023	2022
Current income tax expense		
Current period	\$ 653,465	1,060,710
Adjustments for prior years	5,684	(213)
	659,149	1,060,497
Deferred tax expense		
Origination and reversal of temporary differences	1,107,712	60,066
Change in unrecognized deductible temporary differences	(410,233)	235,599
	697,479	295,665
Income tax expense	\$ 1,356,628	1,356,162

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	<u>\$ 902</u>	<u>17,856</u>

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 statements of comprehensive income was as follows:

	<u>2023</u>	<u>2022</u>
Income before taxes	<u>\$ 6,288,572</u>	<u>6,359,850</u>
Income tax using the Company's statutory tax rate	\$ 1,257,714	1,271,970
Adjustments for prior-year income tax expense	5,684	(213)
Change in unrecognized temporary differences	(410,233)	235,599
Undistributed earnings additional tax	56,974	1,187
Additional income tax under the Alternative Minimum Tax Act	197,400	-
Others	<u>249,089</u>	<u>(152,381)</u>
	<u>\$ 1,356,628</u>	<u>1,356,162</u>

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Loss associated with investments in subsidiaries	\$ 1,919,925	2,069,328
Deductible temporary differences	<u>-</u>	<u>816,471</u>
	<u>\$ 1,919,925</u>	<u>2,885,799</u>

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 Company can utilize the benefits therefrom.

2) Unrecognized deferred income tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. 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. The related amounts were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Profits associated with investments in subsidiaries	<u>\$ 329,076</u>	<u>884,717</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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:

	Remeasurements of defined benefit plans	Accrued expenses and costs	Others	Total
Balance at January 1, 2023	\$ 85,460	2,997,334	-	3,082,794
Recognized in profit or loss	-	(148,463)	148,463	-
Recognized in other comprehensive loss	(902)	-	-	(902)
Balance at December 31, 2023	<u>\$ 84,558</u>	<u>2,848,871</u>	<u>148,463</u>	<u>3,081,892</u>
Balance at January 1, 2022	\$ 103,316	2,997,334	-	3,100,650
Recognized in other comprehensive loss	(17,856)	-	-	(17,856)
Balance at December 31, 2022	<u>\$ 85,460</u>	<u>2,997,334</u>	<u>-</u>	<u>3,082,794</u>

Deferred income tax liabilities:

	Income from investments accounted for using the equity method	Others	Total
Balance at January 1, 2023	\$ 4,523,461	6,598	4,530,059
Recognized in profit or loss	699,879	(2,400)	697,479
Balance at December 31, 2023	<u>\$ 5,223,340</u>	<u>4,198</u>	<u>5,227,538</u>
Balance at January 1, 2022	\$ 3,756,686	477,708	4,234,394
Recognized in profit or loss	766,775	(471,110)	295,665
Balance at December 31, 2022	<u>\$ 4,523,461</u>	<u>6,598</u>	<u>4,530,059</u>

(iii) No income tax was recognized directly in equity in 2023 and 2022.

(iv) The Company's income tax returns for the years through 2021 were examined and approved by the R.O.C. income tax authorities.

(t) Capital and other equity

(i) Common stock

As of December 31, 2023 and 2022, the Company had issued 5,558 thousand units and 5,664 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, 2023 and 2022, the Company's authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,854 thousand shares were issued. The par value of the Company's common stock is \$10 per share. All issued shares were paid up upon issuance.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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):

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 3,001,108	3,001,108
Disposal of the Company's share by subsidiaries recognized as treasury share transactions	<u>5,100</u>	<u>-</u>
Balance at December 31	<u>\$ 3,006,208</u>	<u>3,001,108</u>

(ii) Capital surplus

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Paid-in capital in excess of par value	\$ 10,095,202	10,094,950
Surplus from mergers	15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend	872,507	729,273
Difference between consideration and carrying amount of subsidiaries acquired or disposed	240,108	259,646
Employee share options	90,000	90,000
Surplus from equity-method investments	<u>710,114</u>	<u>824,769</u>
	<u>\$ 27,805,176</u>	<u>27,795,883</u>

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.

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Notes to Parent-Company-Only Financial Statements

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 undistributed current-period earnings and undistributed prior-period 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, 2023, the Company's Board of Directors approved the distribution of cash dividends amounting to \$4,571,781 (\$1.5 per share, in New Taiwan Dollars), of which \$70,119 was distributed to the subsidiaries holding the Company's common shares. Additionally, on June 6, 2023, the Company's shareholders approved an appropriation of legal reserve \$495,986 and a reversal of special reserve of \$84,251.

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, in New Taiwan Dollars), 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 14, 2024, the Company's Board of Directors had approved the distribution of cash dividends amounting to \$4,876,566 (\$1.6 per share, in New Taiwan Dollars), of which \$66,634 was distributed to the subsidiaries holding the Company's common shares.

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

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(iv) Treasury stock

As of December 31, 2023 and 2022, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary CCI and ASCBVI and the Company's common stock held by subsidiaries CCI (to maintain the Company's shareholders' equity), ASCBVI (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, 2023		
	Number of shares	Carrying amount	Market value
Common stock	16,709	\$ 743,157	898,944
GDRs	24,937	1,969,617	1,226,316
	41,646	\$ 2,712,774	2,125,260
	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

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:

	2023	2022
Balance at January 1	\$ (4,219,903)	(8,805,597)
Generated by the Company:		
Foreign exchange differences arising from translation of foreign operations	421,565	4,595,828
Changes in ownership interests in subsidiaries	(1,364)	(287)
Liquidation of subsidiaries	-	1,855
Organizational restructuring under common control	-	(11,702)
Balance at December 31	\$ (3,799,702)	(4,219,903)

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ (409,726)	746,183
Generated by the Company:		
Change in fair value of financial assets measured at fair value through other comprehensive income	7,165,914	(1,127,724)
Share of other comprehensive income of subsidiaries	647,970	(77,205)
Disposal of financial assets measured at fair value through other comprehensive income by the Company	(3,212,026)	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	(21,652)	43,825
Changes in ownership interests in subsidiaries	(431)	5,195
Balance at December 31	<u>\$ 4,170,049</u>	<u>(409,726)</u>

- 3) Remeasurement of defined benefit plans:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 320,376	(228,210)
Change in the period (generated by the Company)	3,606	71,422
Share of other comprehensive income of subsidiaries	(29,419)	464,195
Changes in ownership interests in subsidiaries	(312)	7,486
Reorganization under common control	-	5,483
Balance at December 31	<u>\$ 294,251</u>	<u>320,376</u>

- (u) 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:

	<u>2023</u>	<u>2022</u>
Net income attributable to the ordinary shareholders	<u>\$ 4,931,944</u>	<u>5,003,688</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>3,001,145</u>	<u>3,001,108</u>
Basic earnings per share (in New Taiwan dollars)	<u>\$ 1.64</u>	<u>1.67</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(ii) Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Net income attributable to the ordinary shareholders	\$ <u>4,931,944</u>	<u>5,003,688</u>
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,145	3,001,108
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	<u>12,512</u>	<u>25,195</u>
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock) (in thousands)	<u>3,013,657</u>	<u>3,026,303</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>1.64</u>	<u>1.65</u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>		
	<u>IT Hardware Products</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets:			
EMEA	\$ 43,300,512	5,987,870	49,288,382
Pan America	36,703,770	7,519,753	44,223,523
Asia Pacific	<u>45,482,737</u>	<u>11,998,268</u>	<u>57,481,005</u>
	<u>\$ 125,487,019</u>	<u>25,505,891</u>	<u>150,992,910</u>
	<u>2022</u>		
	<u>IT Hardware Products</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets:			
EMEA	\$ 55,015,347	7,278,735	62,294,082
Pan America	32,703,859	6,834,723	39,538,582
Asia Pacific	<u>55,409,798</u>	<u>12,042,302</u>	<u>67,452,100</u>
	<u>\$ 143,129,004</u>	<u>26,155,760</u>	<u>169,284,764</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(ii) Contract balances

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>January 1,</u> <u>2022</u>
Notes and accounts receivable (including receivables from related parties)	\$ 17,056,897	16,315,190	43,856,087
Less: loss allowance	<u>(1,461)</u>	<u>(1,755)</u>	<u>(1,798)</u>
	<u>\$ 17,055,436</u>	<u>16,313,435</u>	<u>43,854,289</u>
 Contract liabilities – current	 <u>\$ 10,855</u>	 <u>8,809</u>	 <u>9,512</u>

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 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 2023 and 2022 that was included in the contract liability balance at January 1, 2023 and 2022, was \$7,652 and \$5,173, respectively.

(w) 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.

For the years ended December 31, 2023 and 2022, the Company accrued its remuneration to employees amounting to \$470,000 and \$475,000, respectively, and the remuneration for directors of \$18,443 and \$18,800, 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 2023 resolved by the Company's Board of Directors on March 14, 2024 was \$4,000 and that for 2022 resolved by the Company's Board of Directors on March 16, 2023 was \$7,000, 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 \$14,443 and \$11,800 for 2023 and 2022, 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.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(x) Other operating income and expenses – net

	<u>2023</u>	<u>2022</u>
Government grants	\$ 166	-
Rental income	<u>130,349</u>	<u>132,051</u>
	<u>\$ 130,515</u>	<u>132,051</u>

(y) Non-operating income and loss

(i) Interest income

	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ 687,159	48,388
Other interest income	<u>134,953</u>	<u>26,233</u>
	<u>\$ 822,112</u>	<u>74,621</u>

(ii) Other income

	<u>2023</u>	<u>2022</u>
Dividend income	<u>\$ 400,382</u>	<u>519,988</u>

(iii) Other gains and losses

	<u>2023</u>	<u>2022</u>
Gain on disposal of equipment and intangible assets	\$ 418	670
Gain on disposal of investments	3,967	-
Foreign currency exchange gain (loss), net	693,060	(3,091,050)
Gain on financial assets and liabilities measured at fair value through profit	833,533	2,992,204
Loss on liquidation of subsidiaries	-	(2,301)
Gain on bargain purchase in business combination	2,216	-
Others (note 7(b)-(v))	<u>41,156</u>	<u>41,030</u>
	<u>\$ 1,574,350</u>	<u>(59,447)</u>

(iv) Finance costs

	<u>2023</u>	<u>2022</u>
Interest expense from bank loans and bonds payable	\$ 87,794	110,310
Interest expense on lease liabilities	1,580	1,469
Others	<u>2,712</u>	<u>1,754</u>
	<u>\$ 92,086</u>	<u>113,533</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(z) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets measured at fair value through profit or loss	\$ 59,412	125,665
Financial assets measured at fair value through other comprehensive income	10,112,654	6,465,744
Financial assets measured at amortized cost:		
Cash and cash equivalents	18,363,188	16,424,913
Notes and accounts receivable and other receivables (including receivables from related parties)	18,684,908	17,515,548
Financial assets measured at amortized cost – current and non-current	4,672,781	797,782
Other financial assets – current and non-current	<u>1,392,682</u>	<u>158,966</u>
	<u>\$ 53,285,625</u>	<u>41,488,618</u>

2) Financial liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial liabilities measured at fair value through profit or loss	\$ 490,931	714,504
Financial liabilities measured at amortized cost:		
Accounts payable (including payables to related parties)	32,157,494	21,857,688
Other payables (including payables to related parties)	21,732,992	27,572,382
Long-term payables (including payables to related parties)	13,353	13,134
Lease liabilities – current and non-current	82,321	121,132
Long-term debt	1,500,000	-
Bonds payable	<u>10,000,000</u>	<u>10,000,000</u>
	<u>\$ 65,977,091</u>	<u>60,278,840</u>

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Notes to Parent-Company-Only Financial Statements

(ii) Fair value information

1) Financial instruments not measured at fair value

The Company 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).

	December 31, 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	58,595	-	58,595
Stock listed on foreign markets	817	-	-	817
	<u>\$ 817</u>	<u>58,595</u>	<u>-</u>	<u>59,412</u>
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	\$ 9,568,286	-	-	9,568,286
Unlisted stock	-	-	544,368	544,368
	<u>\$ 9,568,286</u>	<u>-</u>	<u>544,368</u>	<u>10,112,654</u>
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	(490,931)	-	(490,931)
Financial instruments measured at amortized cost:				
Corporate bonds carrying fixed interest rates	\$ 4,058,105	607,271	-	4,665,376

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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	\$ -	123,004	-	123,004
Stock listed on foreign markets	2,661	-	-	2,661
	\$ 2,661	123,004	-	125,665
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	\$ 6,143,288	-	-	6,143,288
Unlisted stock	-	-	322,456	322,456
	\$ 6,143,288	-	322,456	6,465,744
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	(714,504)	-	(714,504)
Financial assets measured at amortized cost:				
Corporate bonds carrying fixed interest rates	\$ 177,410	591,950	-	769,360

There were no transfers among fair value hierarchies for the years ended December 31, 2023 and 2022.

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

	Financial assets measured at fair value through other comprehensive income	
	2023	2022
	Balance at January 1	\$ 322,456
Additions	330,000	165,035
Recognized in other comprehensive loss	(108,088)	-
Balance at December 31	\$ 544,368	322,456

The abovementioned total gains or losses were included in “unrealized gain (loss) from financial assets measured at fair value through other comprehensive income”. The gains or losses attributable to the financial assets held on December 31, 2023 and 2022 were as follows:

	2023	2022
Total gains or losses:		
Recognized in other comprehensive income (included in “unrealized gain (loss) from financial assets measured at fair value through other comprehensive income”)	\$ (108,088)	-

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- 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 Company. The fair value of foreign currency forward 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 significant unobservable input is the liquidity discount. No quantitative information is disclosed due to the possible changes in liquidity discount would not cause significant potential financial impact.
- (iii) Offsetting of financial assets and liabilities

The Company 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, 2023						
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 amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Notes and accounts receivable, net	\$ 28,530,749	24,493,731	4,037,018	-	-	4,037,018
December 31, 2023						
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 amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Accounts payable	\$ 55,449,899	24,493,731	30,956,168	-	-	30,956,168

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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 amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	<u>\$ 23,100,619</u>	<u>19,530,644</u>	<u>3,569,975</u>	<u>-</u>	<u>-</u>	<u>3,569,975</u>
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 amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Accounts payable	<u>\$ 40,630,046</u>	<u>19,530,644</u>	<u>21,099,402</u>	<u>-</u>	<u>-</u>	<u>21,099,402</u>

(aa) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company'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 Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company's operations.

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

The maximum exposure to credit risk of financial loss due to the financial guarantees provided by the Company mainly arose from the following items:

- the carrying amounts of financial assets recognized in the balance sheets and
- the financial guarantees provided to subsidiaries amounting to \$4,818,824 and \$4,392,591, for the years ended December 31, 2023 and 2022.

2) Concentration of credit risk

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

3) Credit risk from receivables

Please refer to note 6(c) for credit risk exposure of notes and accounts receivable. Other financial assets measured at amortized cost include bonds carrying fixed interest rates, other receivables (refer to note 6(d)) 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(f) for descriptions about how the Company determines the credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Company 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, 2023 and 2022, the Company had unused credit facilities of \$36,361,028 and \$35,045,988, respectively.

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

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2023					
Non-derivative financial liabilities:					
Bonds payable	\$ 10,191,500	69,000	2,569,000	7,553,500	-
Long-term debt carrying fixed interest rates	1,755,000	25,500	25,500	76,500	1,627,500
Accounts payable (including related parties)	32,157,494	32,157,494	-	-	-
Other payables (including related parties)	21,732,992	19,139,553	2,593,439	-	-
Lease liability	83,463	55,682	18,617	9,164	-
	<u>\$ 65,920,449</u>	<u>51,447,229</u>	<u>5,206,556</u>	<u>7,639,164</u>	<u>1,627,500</u>

(Continued)

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	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
Derivative financial instruments:					
Foreign currency forward contracts – settled in gross					
Outflow	\$ 36,697,141	36,697,141	-	-	-
Inflow	<u>(36,376,327)</u>	<u>(36,376,327)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 320,814</u>	<u>320,814</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2022					
Non-derivative financial liabilities:					
Bonds payable	\$ 10,260,500	69,000	69,000	10,122,500	-
Accounts payable (including related parties)	21,857,688	21,857,688	-	-	-
Other payables (including related parties)	27,585,516	24,918,741	2,666,775	-	-
Lease liability	<u>122,738</u>	<u>64,177</u>	<u>40,653</u>	<u>17,908</u>	<u>-</u>
	<u>\$ 59,826,442</u>	<u>46,909,606</u>	<u>2,776,428</u>	<u>10,140,408</u>	<u>-</u>
Derivative financial instruments:					
Foreign currency forward contracts – settled in gross					
Outflow	\$ 42,059,383	42,059,383	-	-	-
Inflow	<u>(41,583,557)</u>	<u>(41,583,557)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 475,826</u>	<u>475,826</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company 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 Company'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 Company utilizes derivative financial instruments to manage market risks 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 Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. The foreign currencies used in these transactions are mainly the Europe Currency (EUR) and the US dollar (USD), Indian Rupee (INR), etc. The Company utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its forecast sales and purchases over the following 12 months.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Exposure to foreign currency risk and sensitivity analysis:

The Company'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 Company's significant monetary assets and liabilities denominated in a currency other than the functional currency of the Company and their sensitivity analysis were as follows:

(in thousands)

December 31, 2023					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 955,462	30.7350	29,366,125	1 %	293,661
INR	11,704,601	0.3694	4,323,680	1 %	43,237
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,609,268	30.7350	49,460,852	1 %	494,609

(in thousands)

December 31, 2022					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 793,920	30.7080	24,379,695	1 %	243,797
INR	9,337,477	0.3712	3,466,071	1 %	34,661
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,355,712	30.7080	41,631,204	1 %	416,312
EUR	79,900	32.8729	2,626,545	1 %	26,265

With varieties of foreign currencies, the Company disclosed foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(y) for further information.

2) Interest rate risk

The Company's loan from related parties carried fixed interest rate and therefore, the Company was not exposed to the risk arising from fluctuation of interest rates.

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ACER INCORPORATED
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3) Other market price risk

The Company is exposed to the risk of price fluctuation in securities resulting from its investment in publicly traded stocks. The Company supervises the equity price risk actively and manages the risk based on fair value. The Company also has strategic investments in privately held stocks, in which the Company 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, 2023 and 2022, would have increased or decreased by \$505,633 and \$323,287, respectively.

(ab) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company 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.

(ac) 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 2023 and 2022.

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

	January 1, 2023	Cash flows	Non-cash changes of leasing	December 31, 2023
Long-term debt	\$ -	1,500,000	-	1,500,000
Lease liabilities	121,132	(80,780)	41,969	82,321
Loans from related parties	90,000	160,000	-	250,000
Bonds payable	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Total liabilities from financing activities	<u>\$ 10,211,132</u>	<u>1,579,220</u>	<u>41,969</u>	<u>11,832,321</u>

	January 1, 2022	Cash flows	Non-cash changes of leasing	December 31, 2022
Lease liabilities	\$ 77,242	(83,477)	127,367	121,132
Loans from related parties	315,000	(225,000)	-	90,000
Bonds payable	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Total liabilities from financing activities	<u>\$ 10,392,242</u>	<u>(308,477)</u>	<u>127,367</u>	<u>10,211,132</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

7. Related-party transactions

(a) Related party name and categories

The followings are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer Market Services Limited (AMS)	Subsidiaries
Acer Computer (Far East) Limited (AFE)	Subsidiaries
Acer Information (Zhong Shan) Co., Ltd. (AIZS)	Subsidiaries
Acer Computer (Shanghai) Ltd. (ACCN)	Subsidiaries
Acer (Chongqing) Ltd. (ACCQ)	Subsidiaries
Acer European Holdings SA (AEH)	Subsidiaries
Acer Europe B.V. (AHN)	Subsidiaries
Acer Africa (Proprietary) Limited (AAF)	Subsidiaries
AGP Insurance (Guernsey) Limited (AGU)	Subsidiaries
Acer Sales International SA (ASIN)	Subsidiaries
Acer Europe SA (AEG)	Subsidiaries
Sertec 360 SA (SER)	Subsidiaries
Acer Bilisim Teknolojileri Limited Sirketi (ATR)	Subsidiaries
Acer Computer France S.A.S.U. (ACF)	Subsidiaries
Enfinitec France (ENFR)	Subsidiaries
Acer U.K. Limited (AUK)	Subsidiaries
Acer Italy S.R.L. (AIT)	Subsidiaries
Acer Computer GmbH (ACG)	Subsidiaries
Acer Austria GmbH (ACV)	Subsidiaries
Acer Czech Republic s.r.o. (ACZ)	Subsidiaries
Acer Computer Iberica, S.A. (AIB)	Subsidiaries
Enfinitec Switzerland AG (ENCH, formerly ASZ)	Subsidiaries
Asplex Sp. z o.o. (APX)	Subsidiaries
Acer Marketing Services LLC (ARU)	Subsidiaries
Acer Poland sp. z o.o. (APL)	Subsidiaries
Acer Computer B.V. (ACH)	Subsidiaries
CPYou B.V. (CPY)	Subsidiaries
Enfinitec B.V. (ENNL)	Subsidiaries
Enfinitec Germany GmbH (ENDE)	Subsidiaries
Enfinitec Italy S.R.L. (ENIT)	Subsidiaries
Enfinitec Poland Sp. z o.o. (ENPL)	Subsidiaries
Enfinitec Czech Republic s.r.o (ENCZ)	Subsidiaries
Acer Computer Norway AS (ACN)	Subsidiaries
Acer Finland Oy (AFN)	Subsidiaries

(Continued)

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Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer Sweden AB (ACW)	Subsidiaries
Acer Denmark A/S (ACD)	Subsidiaries
Boardwalk Capital Holdings Limited (Boardwalk)	Subsidiaries
Acer Computec Mexico, S.A. de C.V. (AMEX)	Subsidiaries
Acer American Holdings Corp. (AAH)	Subsidiaries
AGP Tecnologia em Informatica do Brasil Ltda. (ATB)	Subsidiaries
Acer Cloud Technology Inc. (ACTI)	Subsidiaries
Acer Cloud Technology (US), Inc. (ACTUS)	Subsidiaries
Gateway, Inc. (GWI)	Subsidiaries
Acer America Corporation (AAC)	Subsidiaries
Acer Service Corporation (ASC)	Subsidiaries
Acer Holdings International, Incorporated (AHI)	Subsidiaries
Acer Computer Co., Ltd. (ATH)	Subsidiaries
Acer Japan Corp. (AJC)	Subsidiaries
Acer Computer Australia Pty. Limited (ACA)	Subsidiaries
Acer Sales And Services Sdn Bhd (ASSB)	Subsidiaries
Acer Asia Pacific Sdn Bhd (AAPH)	Subsidiaries
Acer Computer (Singapore) Pte. Ltd. (ACS)	Subsidiaries
Acer Computer New Zealand Limited (ACNZ)	Subsidiaries
PT. Acer Indonesia (AIN)	Subsidiaries
PT. Acer Manufacturing Indonesia (AMI)	Subsidiaries
Acer India Private Limited (AIL)	Subsidiaries
Acer Vietnam Co., Ltd. (AVN)	Subsidiaries
Acer Philippines, Inc. (APHI)	Subsidiaries
Servex (Malaysia) Sdn Bhd (SMA)	Subsidiaries
Weblink International Inc. (WLII)	Subsidiaries
Wellife Inc. (WELL)	Subsidiaries
Pecer Bio-medical Technology Incorporated (PBT)	Subsidiaries
Protrade Applied Materials Corp. (PAM)	Subsidiaries
Protrade Asia Limited (PAL)	Subsidiaries
Dakota Co., Ltd. (DCL)	Subsidiaries
Protrade Shanghai Trading Co., Ltd. (PST)	Subsidiaries
Protrade Resources Vietnam Company Limited (PRV)	Subsidiaries
Cascadia Resources Inc. (CRI)	Subsidiaries
Acer Synergy Tech Corp. (AST)	Subsidiaries
Shanghai AST Technology Service Ltd. (ASTS)	Subsidiaries
Acer Synergy Manpower Corp. (ASM)	Subsidiaries
Acer Synergy Tech America Corporation (ASTA)	Subsidiaries
Shine Passion Engineering Co., Ltd (SPE)	Subsidiaries (note 2)

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Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer Synergy Manpower America Corporation (ASMA)	Subsidiaries
Acer Digital Service Co. (ADSC)	Subsidiaries
Acer Energy Pack Inc. (ENP, formerly KTI)	Subsidiaries
Acer Gaming Inc. (AGM)	Subsidiaries
Acer Global Merchandise Philippines Inc. (AGMPH)	Subsidiaries
Winking Studios Limited (WKS)	Subsidiaries (note 1)
Winking Art Pte. Ltd (WKSG)	Subsidiaries (note 1)
Winking Entertainment Corporation (WKTW)	Subsidiaries (note 1)
Winking Skywalker Entertainment Limited (WKSK)	Subsidiaries (note 1)
Winking Entertainment (HK) Ltd	Subsidiaries (note 1)
Shanghai Winking Entertainment Limited (WKSH)	Subsidiaries (note 1)
Shanghai Wishing Entertainment Limited (SHW)	Subsidiaries (note 1)
Nanjing Winking Entertainment Ltd (WKNJ)	Subsidiaries (note 1)
Winking Entertainment Investment Limited	Subsidiaries (note 1)
Winking Art Limited (WKHK)	Subsidiaries (note 1)
Acer SoftCapital Incorporated (CCI)	Subsidiaries
DropZone Holding Limited (DZH)	Subsidiaries
DropZone (Hong Kong) Limited (DZL)	Subsidiaries
Acer SoftCapital Incorporated (ASCBVI)	Subsidiaries
Acer Gadget Inc. (AGT)	Subsidiaries
GadgeTek (Shanghai) Limited (GCN)	Subsidiaries
Acer BeingWare Holding Inc. (ABH)	Subsidiaries
Acer Cloud Technology (Taiwan) Inc. (ACTTW)	Subsidiaries
Altos Computing Inc. (ALT)	Subsidiaries
Beijing Altos Computing Ltd. (BJAC)	Subsidiaries
Altos Computing (India) Private Limited (ALIN)	Subsidiaries
Altos Computing (Thailand) Co., Ltd. (ALTH)	Subsidiaries
Acer Mobile Power System Inc. (MPS)	Subsidiaries
Acer e-Enabling Service Business Inc. (AEB)	Subsidiaries
Acer e-Enabling Service Business (Shang-Hai) Ltd. (EBSH)	Subsidiaries
Acer ITS Inc. (ITS)	Subsidiaries
Acer Medical Inc. (AMED)	Subsidiaries
Acer Cloud Technology(Chongqing) Ltd. (ACTCQ)	Subsidiaries
Acer Being Communication Inc. (ABC)	Subsidiaries
Acer Being Signage Inc. (ABST)	Subsidiaries
Acer Being Signage GmbH (ABSG)	Subsidiaries
Xplova Inc. (XPL)	Subsidiaries
Xplova (Shanghai) Ltd. (XPLSH)	Subsidiaries

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer AI Cloud Inc. (AIC)	Subsidiaries
Acer Third Wave Software (Beijing) Co. Ltd (TWPBJ)	Subsidiaries
Acer Cyber Security Incorporated (ACSI)	Subsidiaries
Acer e-Enabling Data Center Incorporated (EDC)	Subsidiaries
ACSI Cyber Security Academy Inc. (ACAD)	Subsidiaries
Acer China Venture Corp (ACVC)	Subsidiaries
Sertec (Beijing) Ltd. (SEB)	Subsidiaries
StarVR Corporation (ASBZ)	Subsidiaries
AOPEN Inc. (AOI)	Subsidiaries
AOPEN America Inc.(AOA)	Subsidiaries
AOPEN Computer B.V.(AOE)	Subsidiaries
AOPEN Technology Inc.(AOTH)	Subsidiaries
AOPEN Japan Inc.(AOJ)	Subsidiaries
Aopen SmartVision Incorporated (AOSV)	Subsidiaries
AOPEN Global Solutons Pty Ltd.(AOGS)	Subsidiaries
Great Connection LTD.(GCL)	Subsidiaries
AOPEN International (ShangHai) Co., Ltd (AOC)	Subsidiaries
AOPEN Information Products (Zhongshan) Inc. (AOZ)	Subsidiaries
AOPEN Australia & New Zealand Pty Ltd (AOAU)	Subsidiaries
Bluechip Infotech Pty Ltd. (Bluechip)	Subsidiaries
Bluechip Infotech Incorporated (BLI)	Subsidiaries
Dingo Tech Pty Ltd. (DTP)	Subsidiaries
Mia Telecomms Pty Limited (MIA)	Subsidiaries
Digital Networks Australia Pty Ltd. (DNA)	Subsidiaries
Ingeniq Pty Ltd (IGP)	Subsidiaries
BLUECHIP GROUP (NZ) LIMITED (BLNZ)	Subsidiaries
BLUECHIP INFOTECH NEW ZEALAND LIMITED (BLINZ)	Subsidiaries
Highpoint Service Network Corporation (HSNC)	Subsidiaries
Highpoint Service Network (Thailand) Co., Ltd (HSNT)	Subsidiaries
Highpoint Service Network Vietnam Company Limited (HSNV)	Subsidiaries
PT HSN Tech Indonesia (HSNI)	Subsidiaries
HighPoint Service Network Sdn Bhd (HSN)	Subsidiaries
Highpoint Services Network Philippines, Inc. (HSNP)	Subsidiaries
AcerPure Inc. (API)	Subsidiaries
Acer Property Development Inc. (APDI)	Subsidiaries
Aspire Service & Development Inc. (ASDI)	Subsidiaries
Acer Asset Management Incorporated (AAM)	Subsidiaries
Acer Beverage Incorporated (ABI)	Subsidiaries

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
ACER TECHNOLOGY AND BUSINESS DEVELOPMENT PTE. LTD. (ATBD)	Subsidiaries
Smart Frequency Technology Inc. (SFT)	Joint venture (SFT has been included in the Company's subsidiaries from December 27, 2023.)
Haoru Electric Co., Ltd (HRC)	Joint venture
GrandPad Inc. (GrandPAD)	Associates
Piovision International Inc. (HPT)	Associates
ECOM Software Inc. (ECS)	Associates
Kbest Technology Inc. (KBest)	Associates
Eric's Sports Marketing Inc. (Eric's)	The entity's chairman is the first-degree relatives of one of the key management of the Company
Acer Foundation	Substantive related party
Satoro Taiwan Inc.	The entity's chairman is the Company's director
Mu-Jin Investments Co., Ltd	The entity's legal representative is the Company's chairman
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 Company since then)
Mu-Shi Investments Co., Ltd	The entity's legal representative is the Company's chairman
Porrina Inc.	The entity's chairman is the Company's director

(Note1) On December 31, 2022, AGM acquired control over WKS and its subsidiaries, as a result, WKS and its subsidiaries became related parties of the Company.

(Note2) In 2022, SPE was an associate of the Company. On January 1, 2023, AST acquired more than half of the voting rights of SPE through the written agreements among the shareholders of SPE, so that AST had the authority to control the daily operation of SPE. Therefore, AST had substantial ability to lead relevant activities of SPE, and thus incorporated it into the Company's subsidiaries.

(Continued)

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(b) Significant related-party transactions

(i) Revenue

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

	<u>2023</u>	<u>2022</u>
Subsidiaries		
AEG	\$ 49,209,858	62,204,606
AAC	44,017,585	39,345,499
Others	44,840,544	48,684,621
Associates	115,279	58,894
Joint venture	7	7
Other related parties	<u>639</u>	<u>764</u>
	<u>\$ 138,183,912</u>	<u>150,294,391</u>

The sales prices and trade term with related parties depend on the economic environment and market competition, and are not comparable to those with third-party customers.

(ii) Purchases

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

	<u>2023</u>	<u>2022</u>
Associates	<u>\$ 6,941,943</u>	<u>4,133,492</u>

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 costs and expenses

The operating costs and expenses related to after-sale services for IT products, product development and design as well as business continuity plan services and the donation to related parties were as follows:

<u>Accounts</u>	<u>Related-party categories</u>	<u>2023</u>	<u>2022</u>
Cost of revenue	Subsidiaries	\$ 601,685	461,334
Operating expense	Subsidiaries	44,092	208,974
Operating expense	Associates	1,745	1,745
Operating expense	Other related parties	<u>10,000</u>	<u>13,835</u>
		<u>\$ 657,522</u>	<u>685,888</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(iv) Lease

The Company leased investment property, property and rental office premises to its related parties. The related rental income was reported in “other operating income and expenses – net” and summarized as follows:

	<u>2023</u>	<u>2022</u>
Subsidiaries:		
ASDI	\$ 60,592	58,745
AEB	21,553	17,890
Others	15,357	18,422
Associates	-	212
Joint venture	-	211
Other related parties	<u>81</u>	<u>127</u>
	<u><u>\$ 97,583</u></u>	<u><u>95,607</u></u>

(v) Service income

The service income related to the system maintenance service provided to related parties was included in “ other gains and losses ” and was summarized as follows:

	<u>2023</u>	<u>2022</u>
Subsidiaries	\$ 33,031	30,143
Associates	48	48
Joint venture	3,771	3,634
Other related parties	<u>159</u>	<u>123</u>
	<u><u>\$ 37,009</u></u>	<u><u>33,948</u></u>

(vi) Reorganization under common control

In view of continuously optimizing group resources integration and maximizing operational synergies, the Company sold 44,462 thousand shares of EDC’s common stock to ACSI for a consideration of \$475,747 in January 2022. In addition, in order to optimize the subsidiaries’ investment structure, the Company acquired 30,969 thousand shares of Acer Sales and Services SDN BHD’s common stock and 3,985 thousand shares of Acer Computer (Singapore) Pte. Ltd.’s common stock from Acer Holdings International, Incorporated for considerations of \$1,193,559 and \$171,997, respectively, in December 2022. The aforementioned transactions are classified as reorganization under common control, and therefore, the difference between the considerations and carrying amounts of subsidiaries disposed was recognized in capital surplus.

(Continued)

ACER INCORPORATED
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(vii) Loans to related parties

The actual drawdown amounts were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
AFE	\$ 365,916	373,931
ITS	543,000	410,000
EDC	150,000	-
MPS	-	76,000
ALT	<u>80,000</u>	<u>132,000</u>
	<u>\$ 1,138,916</u>	<u>991,931</u>
Interest rate	<u>1.67%-4.73%</u>	<u>0.98%-2.75%</u>

Interest income related to loans to subsidiaries in 2023 and 2022 was \$23,501 and \$9,996, respectively.

(viii) Borrowings from related parties

The borrowings from related parties were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
ADSC	\$ 150,000	90,000
ABH	<u>100,000</u>	<u>-</u>
	<u>\$ 250,000</u>	<u>90,000</u>
Interest rate	<u>1.62%</u>	<u>0.93%</u>

Interest expenses related to borrowings from subsidiaries in 2023 and 2022 were \$2,708 and \$1,744, respectively.

(ix) Payables related to defined benefit liabilities due to personnel transfer to subsidiaries

The net defined benefit liabilities have been transferred while certain employees transferred from the Company to ALT, HSNC, AEB, EDC, AGT and other subsidiaries. Related payables were included in “other payables to related parties” and “long-term payable to related parties”.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(x) Receivables from related parties

<u>Accounts</u>	<u>Related-party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes and accounts receivable from related parties	Subsidiaries:		
	AAC	\$ 73,007	2,008,759
	ACA	1,308,208	1,251,180
	AIL	4,333,513	3,491,157
	Others	7,194,931	5,954,774
Notes and accounts receivable from related parties	Associates	108,740	37,557
Note and accounts receivable from related parties	Other related parties	19	33
	Subtotal	<u>13,018,418</u>	<u>12,743,460</u>
Other receivables from related parties	Subsidiaries	79,012	56,772
Other receivables from related parties (financing)	Subsidiaries	1,138,916	991,931
Other receivables from related parties	Associates	6	-
Other receivables from related parties	Joint venture	-	667
Other receivables from related parties	Other related parties	18	129
	Subtotal	<u>1,217,952</u>	<u>1,049,499</u>
		<u>\$ 14,236,370</u>	<u>13,792,959</u>

(xi) Payables to related parties

<u>Accounts</u>	<u>Related party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable to related parties	Subsidiaries	\$ 1,201,326	758,286
Other payables to related parties	Subsidiaries	218,815	2,790,984
Other payables to related parties	Other related parties	-	15,000
Other payables to related parties (financing)	Subsidiaries	250,000	90,000
	Subtotal	<u>468,815</u>	<u>2,895,984</u>
Long-term payable to related parties	Subsidiaries	13,353	13,134
		<u>\$ 1,683,494</u>	<u>3,667,404</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(xii) Guarantees and endorsements provided to related parties

As of December 31, 2023 and 2022, the balances of guarantees and endorsements provided to subsidiaries were \$23,661,830 and \$22,564,546, respectively, and the amounts actually drawn were \$4,818,824 and \$4,392,591, respectively.

(c) Compensation for key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 165,938	185,428
Post-employment benefits	3,390	3,716
	<u>\$ 169,328</u>	<u>189,144</u>

8. Pledged assets

The carrying values of pledged assets (reported under other financial assets – non-current) were as follows:

<u>Assets</u>	<u>Pledged to secure</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash in bank and time deposits	Contract bidding, refundable deposits, and project fulfillment guarantee	<u>\$ 152,782</u>	<u>148,466</u>

9. Significant commitments and contingencies

- (a) The Company has entered into software and royalty license agreements with Microsoft, Google, IBM, and other companies. The Company has fulfilled its obligations according to the contracts.
- (b) In the regular course of its business from, the Company 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 Company 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 Company 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.
- (c) As of December 31, 2023 and 2022, the Company had issued promissory notes amounting to \$35,758,490 and \$36,590,060, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

11. Significant subsequent events: None

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

12. Others

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

	2023			2022		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	-	2,289,358	2,289,358	-	2,840,106	2,840,106
Insurance	-	175,450	175,450	-	179,606	179,606
Pension	-	112,909	112,909	-	104,083	104,083
Remuneration of directors	-	31,443	31,443	-	31,800	31,800
Others	-	158,366	158,366	-	172,870	172,870
Depreciation	-	150,584	150,584	-	144,017	144,017
Amortization	16,117	28,606	44,723	1,174	22,097	23,271

	2023	2022
Employees	<u>1,599</u>	<u>1,621</u>
Directors not in concurrent employment	<u>4</u>	<u>4</u>
Average employee benefits	<u>\$ 1,715</u>	<u>2,039</u>
Average employee salaries	<u>\$ 1,435</u>	<u>1,756</u>
Adjustment of average employee salaries	<u>(18.28)%</u>	

The Company's compensation policy, including directors, managers, and employees, is as follows:

The compensation of directors and managers is evaluated and reviewed by Compensation Committee periodically. The compensation of employees is determined by participating in salary surveys every year and reviewing salary level regularly to provide competitive compensation to employees.

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;

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- (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);
- (b) Information on investees: See Table 7 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 8 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 Company'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, 2023, please refer to "Information on significant transactions" above.
- (d) Major shareholders:

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

14. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2023.

Acer Incorporated
Financing provided to other parties
For the year ended December 31, 2023

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 4)	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount 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	ADSC	Other receivables from related parties	Yes	2,000	1,000	-	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	MPS	Other receivables from related parties	Yes	245,000	95,000	-	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	EDC	Other receivables from related parties	Yes	790,000	390,000	150,000	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ALT	Other receivables from related parties	Yes	590,000	290,000	80,000	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ITS	Other receivables from related parties	Yes	1,200,000	600,000	543,000	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	AFE	Other receivables from related parties	Yes	768,233	365,916	365,916	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ABH	Other receivables from related parties	Yes	2,000	1,000	-	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	PAM	Other receivables from related parties	Yes	826,170	826,170	-	1%-8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
1	ABH	ABST	Other receivables from related parties	Yes	203,000	102,000	100,000	1%-8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	ABSG	Other receivables from related parties	Yes	139,412	67,857	67,857	1%-8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	ABC	Other receivables from related parties	Yes	79,000	45,000	43,000	1%-8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	AIC	Other receivables from related parties	Yes	40,000	-	-	1%-8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	APDI	Other receivables from related parties	Yes	155,000	-	-	1%-8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	The Company	Other receivables from related parties	Yes	250,000	150,000	100,000	1%-8%	2	-	Operating requirements	-	None	-	783,599	783,599
2	ADSC	The Company	Other receivables from related parties	Yes	240,000	150,000	150,000	1%-8%	2	-	Operating requirements	-	None	-	830,743	830,743
2	ADSC	Bluechip	Other receivables from related parties	Yes	103,358	41,873	41,873	1%-8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ENP	Other receivables from related parties	Yes	17,000	9,000	4,000	1%-8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ABI	Other receivables from related parties	Yes	7,000	7,000	-	1%-8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	BLI	Other receivables from related parties	Yes	15,250	15,250	10,400	1%-8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ATBD	Other receivables from related parties	Yes	33,136	32,590	32,590	1%-8%	2	-	Operating requirements	-	None	-	207,686	830,743
3	AIZS	ACCQ	Other receivables from related parties	Yes	215,890	-	-	1%-8%	2	-	Operating requirements	-	None	-	211,042	211,042
4	GWJ	AAC	Other receivables from related parties	Yes	912,195	450,268	81,448	1%-8%	2	-	Operating requirements	-	None	-	29,017,525	29,017,525
4	GWJ	CRI	Other receivables from related parties	Yes	453,866	430,290	368,820	1%-8%	2	-	Operating requirements	-	None	-	4,836,254	4,836,254
5	AAH	AAC	Other receivables from related parties	Yes	9,512,989	4,640,985	4,640,985	1%-8%	2	-	Operating requirements	-	None	-	36,219,805	36,219,805
6	Bluechip	BLI	Other receivables from related parties	Yes	9,144	-	-	1%-8%	2	-	Operating requirements	-	None	-	79,775	79,775
7	AEG	AEH	Other receivables from related parties	Yes	99,027	-	-	1%-8%	2	-	Operating requirements	-	None	-	2,032,313	4,064,625
8	AHN	ENNL	Other receivables from related parties	Yes	119,126	118,749	118,749	1%-8%	2	-	Operating requirements	-	None	-	5,889,207	11,778,413
8	AHN	ENDE	Other receivables from related parties	Yes	51,054	50,893	50,893	1%-8%	2	-	Operating requirements	-	None	-	5,889,207	11,778,413
9	ASDI	APDI	Other receivables from related parties	Yes	20,000	20,000	20,000	1%-8%	2	-	Operating requirements	-	None	-	46,842	46,842
10	API	APDI	Other receivables from related parties	Yes	100,000	100,000	50,000	1%-8%	2	-	Operating requirements	-	None	-	126,272	126,272
11	AST	ASTA	Other receivables from related parties	Yes	120,000	120,000	-	-	2	-	Operating requirements	-	None	-	89,053	356,211
11	AST	ASM	Other receivables from related parties	Yes	60,000	-	-	-	2	-	Operating requirements	-	None	-	89,053	356,211
11	AST	SPE	Other receivables from related parties	Yes	60,000	60,000	-	-	2	-	Operating requirements	-	None	-	89,053	356,211
12	WLIJ	CRI	Other receivables from related parties	Yes	152,400	-	-	1.2%-5.5%	2	-	Operating requirements	-	None	-	214,126	856,505
13	WKHK	WKTW	Other receivables from related parties	Yes	45,000	-	-	-	2	-	Operating requirements	-	None	-	9,272	37,088
14	AMED	ABI	Other receivables from related parties	Yes	20,000	20,000	-	-	2	-	Operating requirements	-	None	-	22,194	88,775

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 the financing amount subject to regulations governing financing provided to other parties stipulated by 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 ABH, API and ADSC 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, ADSC and API shall not exceed 10% of net worth of ABH, ADSC and API.

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, WLII, AMED and WKHK 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, as the financing contract with a financing limit of \$30,000 expired in January 2023, AST's Board of Directors had 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 and AHN were 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.

Note 3: Net worth of the Company and subsidiaries listed above are the most recent audited.

Note 4: The above transactions are eliminated when preparing the consolidated financial statements.

Acer Incorporated
Guarantees and endorsements provided to other parties
For the year ended December 31, 2023

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	Actual Amount 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	14,945,305	693,028	653,751	-	-	0.87%	74,726,525	Y		
0	The Company	ATH/ALTH	2	14,945,305	171,821	162,895	-	-	0.22%	74,726,525	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	14,945,305	2,269,330	2,151,450	28,909	-	2.88%	74,726,525	Y		
0	The Company	AEG	2	14,945,305	307,724	305,582	305,582	-	0.41%	74,726,525	Y		
0	The Company	Acer EMEA subsidiaries	2	14,945,305	1,134,665	1,075,725	42,000	-	1.44%	74,726,525	Y		
0	The Company	Acer EMEA subsidiaries	2	14,945,305	156,300	153,675	18,636	-	0.21%	74,726,525	Y		
0	The Company	ACN/ACD/ACW/AFN	2	14,945,305	12,204	12,204	12,204	-	0.02%	74,726,525	Y		
0	The Company	Acer Pan America subsidiaries	2	14,945,305	5,511,230	5,224,950	774,436	-	6.99%	74,726,525	Y		
0	The Company	AMEX	2	14,945,305	291,771	276,615	-	-	0.37%	74,726,525	Y		
0	The Company	Acer Greater China subsidiaries	2	14,945,305	1,783,045	1,690,425	-	-	2.26%	74,726,525	Y		Y
0	The Company	SMA	2	14,945,305	209,208	200,707	117,040	-	0.27%	74,726,525	Y		
0	The Company	ACA	2	14,945,305	178,305	169,043	169,043	-	0.23%	74,726,525	Y		
0	The Company	AIL	2	14,945,305	3,338,825	3,166,976	971,333	-	4.24%	74,726,525	Y		
0	The Company	ACCN/ACQQ/BJAC	2	14,945,305	889,731	865,775	-	-	1.16%	74,726,525	Y		Y
0	The Company	ABSG	2	14,945,305	178,398	170,639	16,964	-	0.23%	74,726,525	Y		
0	The Company	ITS	2	14,945,305	402,100	402,100	102,100	-	0.54%	74,726,525	Y		
0	The Company	ALT	2	14,945,305	410,000	325,368	-	-	0.44%	74,726,525	Y		
0	The Company	MPS	2	14,945,305	201,772	153,074	-	-	0.20%	74,726,525	Y		
0	The Company	EDC	2	14,945,305	2,917,710	2,766,150	933,984	-	3.70%	74,726,525	Y		
0	The Company	AAC	2	14,945,305	1,783,045	1,690,425	1,309,629	-	2.26%	74,726,525	Y		
0	The Company	AGM	2	14,945,305	1,300,520	-	-	-	-	74,726,525	Y		
0	The Company	API	2	14,945,305	100,000	63,074	-	-	0.08%	74,726,525	Y		
0	The Company	CPY	2	14,945,305	17,282	16,964	16,964	-	0.02%	74,726,525	Y		
0	The Company	ALTH	2	14,945,305	48,629	46,103	-	-	0.06%	74,726,525	Y		
0	The Company	ALIN	2	14,945,305	116,818	110,810	-	-	0.15%	74,726,525	Y		
0	The Company	AGU	2	14,945,305	312,600	307,350	-	-	0.41%	74,726,525	Y		
0	The Company	HRC	6	14,945,305	1,500,000	1,500,000	-	-	2.01%	74,726,525	Y		
1	AAC	ASC	4	2,575,981	19,451	18,441	18,441	-	0.72%	2,575,981			
2	AHI	The Company	3	3,150,002	1,666,667	1,666,667	1,666,667	-	10.58%	15,750,008		Y	
3	AOI	AOC	2	423,174	178,305	-	-	-	-	1,410,580			Y
4	AST	ASTS	2	178,106	35,590	-	-	-	-	445,264			Y
4	AST	ASM	2	178,106	60,000	-	-	-	-	445,264			
4	AST	ASTA	2	178,106	127,416	61,470	-	-	6.90%	445,264			
5	WLII	CRI	2	428,253	216,607	162,896	11,521	-	7.61%	1,070,631			
5	WLII	PAM	2	428,253	197,495	122,940	-	-	5.74%	1,070,631			
5	WLII	PST	2	428,253	318,540	144,455	1,837	-	6.75%	1,070,631			Y
5	WLII	PAL	2	428,253	29,177	27,662	-	-	1.29%	1,070,631			
6	HSNC	HSNT	2	81,071	64,838	61,470	9,832	-	30.33%	202,678			
6	HSNC	HSNI	2	81,071	30,766	15,368	-	-	7.58%	202,678			
6	HSNC	HSNV	2	81,071	32,419	30,735	-	-	15.16%	202,678			
6	HSNC	HSNP	2	81,071	32,419	30,735	-	-	15.16%	202,678			
6	HSNC	HSN	2	81,071	32,419	30,735	-	-	15.16%	202,678			

- 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 3: the Company, directly and indirectly, has voting rights of the entity over 50%
Type 4: between entities directly or indirectly owned by the Company over 90%
Type 6: An entity jointly invested by capital contributing shareholders that make endorsements/guarantees in proportion to their shareholding percentages °
- 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.
- 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 40% of the most recent audited net worth of HSNC.
- Note 8: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of AHI.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AHI.

Acer Incorporated
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2023

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 2023		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	817	0.04%	817	572	0.10%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	89,516	4,296,753	4.55%	4,296,753	89,516	4.55%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	327,343	0.24%	327,343	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	19,109	1,884,147	0.66%	1,884,147	54,816	1.89%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	195,679	3.08%	195,679	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	8,733	982,427	4.01%	982,427	8,733	4.04%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	855	50,787	0.26%	50,787	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	70,268	0.17%	70,268	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	15,496	0.03%	15,496	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	991	59,360	0.15%	59,360	991	0.15%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	15,520	0.04%	15,520	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,539	0.02%	1,539	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	385,000	2.10%	385,000	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	17,118	0.07%	17,118	335	0.07%	Note 4
The Company	Stock: Apacer	-	Financial assets measured at fair value through other comprehensive income — non-current	11,710	724,849	9.54%	724,849	11,710	9.54%	
The Company	Stock: Welldone	-	Financial assets measured at fair value through other comprehensive income — non-current	10,000	542,000	10.03%	542,000	10,000	10.03%	
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	4.45%	120,000	2,400	5.45%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	Other related parties	Financial assets measured at fair value through other comprehensive income — non-current	2,000	16,972	15.50%	16,972	2,000	15.50%	
The Company	Stock: Fortune Electric	-	Financial assets measured at fair value through other comprehensive income — non-current	2,500	27,401	8.83%	27,401	2,500	8.83%	
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%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2023		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: C-LiFe Technologies, Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	11,000	330,000	11.38%	330,000	11,000	11.38%	
The Company	USD Fixed Rate Callable Note 1.83 02/23/2024	-	Financial assets measured at amortized cost — current	-	307,350	-	305,775	-	-	
The Company	USD Fixed Rate Callable Note 3.05 04/01/2024	-	Financial assets measured at amortized cost — current	-	153,675	-	152,716	-	-	
The Company	USD Fixed Rate Callable Note 3.85 05/13/2025	-	Financial assets measured at amortized cost — non-current	-	153,675	-	148,780	-	-	
The Company	CREDIT AGRICOLE SA Bond 4.375 03/17/2025	-	Financial assets measured at amortized cost — non-current	-	61,550	-	60,400	-	-	
The Company	UBS Bond 4.125 09/24/2025	-	Financial assets measured at amortized cost — non-current	-	61,295	-	60,072	-	-	
The Company	HSBC Bond 4.375 11/23/26	-	Financial assets measured at amortized cost — non-current	-	61,091	-	59,971	-	-	
The Company	HSBC Bond 3.9 05/25/26	-	Financial assets measured at amortized cost — non-current	-	210,087	-	209,050	-	-	
The Company	UBS Bond 4.253 03/23/28	-	Financial assets measured at amortized cost — non-current	-	208,245	-	208,583	-	-	
The Company	MUFG Bond 2.757 09/13/26	-	Financial assets measured at amortized cost — non-current	-	174,471	-	174,046	-	-	
The Company	SUMIBK Bond 5.52 01/13/28	-	Financial assets measured at amortized cost — non-current	-	93,978	-	93,948	-	-	
The Company	Citigroup Inc. Bond 3.3 04/27/25	-	Financial assets measured at amortized cost — non-current	-	60,382	-	60,097	-	-	
The Company	Citigroup Inc. Bond 3.3 04/27/25	-	Financial assets measured at amortized cost — non-current	-	90,559	-	90,145	-	-	
The Company	MIZUHO Bond 3.477 04/12/26	-	Financial assets measured at amortized cost — non-current	-	89,414	-	89,072	-	-	
The Company	SUMIBK Bond 3.364 07/12/27	-	Financial assets measured at amortized cost — non-current	-	146,932	-	145,947	-	-	
The Company	MUFG Bond 3.85 03/01/26	-	Financial assets measured at amortized cost — non-current	-	90,177	-	89,808	-	-	
The Company	SUMIBK Bond 5.52 01/13/28	-	Financial assets measured at amortized cost — non-current	-	62,783	-	62,632	-	-	
The Company	MIZUHO Bond 3.477 04/12/26	-	Financial assets measured at amortized cost — non-current	-	59,597	-	59,381	-	-	
The Company	CREDIT AGRICOLE 5.301 07.12/28	-	Financial assets measured at amortized cost — non-current	-	92,205	-	93,772	-	-	
The Company	HSBC 5.625 03/17/25	-	Financial assets measured at amortized cost — non-current	-	92,257	-	92,318	-	-	
The Company	BNP 3.375 01/09/25	-	Financial assets measured at amortized cost — non-current	-	89,800	-	90,336	-	-	
The Company	P12 Cathay Life Insurance 1A	-	Financial assets measured at amortized cost — non-current	-	1,500,000	-	1,499,754	-	-	
The Company	BNP 3.375 01/09/25	-	Financial assets measured at amortized cost — non-current	-	60,070	-	60,224	-	-	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2023		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	SOCGEN 4.677 06/15/27 Corp	-	Financial assets measured at amortized cost — non-current	-	89,628	-	90,877	-	-	
The Company	BNP 3.5 11/16/27	-	Financial assets measured at amortized cost — non-current	-	85,909	-	87,016	-	-	
The Company	HSBC 5.625 03/17/25	-	Financial assets measured at amortized cost — non-current	-	61,487	-	61,546	-	-	
The Company	CREDIT AGRICOLE 5.301 07.12/28	-	Financial assets measured at amortized cost — non-current	-	60,964	-	62,515	-	-	
The Company	SOCGEN 4.677 06/15/27 Corp	-	Financial assets measured at amortized cost — non-current	-	59,390	-	60,585	-	-	
The Company	BNP 3.5 11/16/27	-	Financial assets measured at amortized cost — non-current	-	85,016	-	87,016	-	-	
The Company	WSTPNZ 4.902 02/15/28	-	Financial assets measured at amortized cost — non-current	-	153,675	-	152,814	-	-	
The Company	ANZLN 5.355 08/14/28	-	Financial assets measured at amortized cost — non-current	-	157,119	-	156,180	-	-	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	1,286,354	0.45%	1,286,354	13,046	0.45%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	1,848	18.92%	1,848	322	18.92%	
ADSC	21st Century Technology Co., Ltd	-	Financial assets measured at fair value through other comprehensive income — non-current	592	19,613	0.86%	19,613	592	0.86%	
CCI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	78,223	19.39%	78,223	3,800	19.39%	
CCI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	121,815	12.20%	121,815	463	12.20%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	49,961	2.01%	49,961	1,015	2.01%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	1,000	13.79%	1,000	-	0.00%	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	19,081	0.30%	19,081	666	0.30%	Note 1
AEB	Stock: Ambi Arts	Other related parties	Financial assets measured at fair value through other comprehensive income — non-current	180	1,019	18.00%	1,019	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	19,081	0.30%	19,081	666	0.30%	Note 1
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	11,000	0.06%	11,000	200	0.06%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	22,000	0.12%	22,000	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	13,935	0.44%	13,935	300	0.44%	
AST	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	20	1,222	0.003%	1,222	20	0.003%	Note 2

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2023		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
AST	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	952	48,647	0.19%	48,647	952	0.19%	Note 4
AST	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	549	15,729	0.25%	15,729	549	0.25%	Note 1
SPE	Credit Suisse AG 4 05.15/27	-	Financial assets measured at amortized cost — non-current	-	2,803	0.000%	2,803	-	-	
Boardwalk	Citi Goldman Sachs Financial Square Government Fund	-	Financial assets measured at fair value through profit or loss — current	-	73,764	0.000%	73,764	-	-	
ALT	Stock: QSAN Technology, Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	966	78,247	16.68%	78,247	966	16.68%	

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are preferred 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 preferred stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.

Note 3: The stocks of FBFH are preferred stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.

Note 4: The stocks of TSFH are preferred stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated
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, 2023

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 (Note 1)
The Company	Stock: Wistron	Financial assets measured at fair value through other comprehensive income — non-current	Exchange Market	None	54,816	1,611,590	-	-	35,707	4,285,821	1,073,795	3,212,026	19,109	1,884,147
The Company	Stock: Welldone	Financial assets measured at fair value through other comprehensive income — non-current	Welldone Corporation	None	-	-	10,000	400,500	-	-	-	-	10,000	542,000
The Company	Stock: C-LiFe Technologies, Inc.	Financial assets measured at fair value through other comprehensive income — non-current	C-LiFe Technologies, Inc.	None	-	-	11,000	330,000	-	-	-	-	11,000	330,000
The Company	HRC	Investments accounted for using equity method	Haoru Electric Co., Ltd	Joint Venture	-	-	30,000	300,000	-	-	-	-	30,000	300,081
The Company	AOI	Investments accounted for using equity method	AOI and its subsidiaries	Parent/Subsidiary	28,970	347,183	5,294	360,013	-	-	-	-	34,264	619,886
The Company	P12 Cathay Life Insurance 1A	Financial assets measured at amortized cost — non-current	Cathay Life Insurance Co., Ltd.	None	-	-	-	1,500,000	-	-	-	-	-	1,500,000
ACCN	Fubon Bank (China) CNY SDRMBC	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	619,400	2,710,304	619,400	2,726,687	2,710,304	16,383	-	-
ACCN	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	290,000	1,262,852	290,000	1,271,031	1,262,852	8,179	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	2,311,300	10,142,911	2,311,300	10,184,939	10,142,911	42,028	-	-
ACCQ	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	675,000	2,941,260	675,000	2,951,454	2,941,260	10,194	-	-
AIZS	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	189,000	825,942	189,000	830,902	825,942	4,960	-	-
AHN	EUR Term Liquidity Fund	Financial assets measured at fair value through profit or loss — current	Citibank Taiwan Limited	None	-	771,292	-	-	-	775,088	771,292	3,796	-	-

Note 1: Ending balance includes evaluation gains and losses, investment gains and losses, translation adjustments and other amounts.

Acer Incorporated
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, 2023

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)	(44,017,585)	(29.15)%	OA90	-	-	73,007	0.43%	
The Company	ACA	Parent/Subsidiary	(Sales)	(4,956,844)	(3.28)%	OA60	-	-	1,308,208	7.67%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(8,903,705)	(5.90)%	OA60	-	-	121,199	0.71%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(254,869)	(0.17)%	OA60	-	-	-	-	
The Company	ACS	Parent/Subsidiary	(Sales)	(1,774,265)	(1.18)%	OA60	-	-	248,222	1.46%	
The Company	AEG	Parent/Subsidiary	(Sales)	(49,209,858)	(32.59)%	OA60	-	-	1,146,056	6.72%	
The Company	AFE	Parent/Subsidiary	(Sales)	(2,091,740)	(1.39)%	OA60	-	-	778,302	4.56%	
The Company	AIL	Parent/Subsidiary	(Sales)	(8,267,854)	(5.48)%	OA150	-	-	4,333,513	25.41%	
The Company	AIN	Parent/Subsidiary	(Sales)	(4,122,475)	(2.73)%	OA90	-	-	1,157,544	6.79%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,309,732)	(0.87)%	OA60	-	-	963,214	5.65%	
The Company	AMI	Parent/Subsidiary	(Sales)	(3,348,687)	(2.22)%	OA90	-	-	782,343	4.59%	
The Company	APHI	Parent/Subsidiary	(Sales)	(1,308,197)	(0.87)%	OA60	-	-	389,181	2.28%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(2,451,512)	(1.62)%	OA60	-	-	423,646	2.48%	
The Company	ATH	Parent/Subsidiary	(Sales)	(3,466,520)	(2.30)%	OA60	-	-	636,962	3.73%	
The Company	AVN	Parent/Subsidiary	(Sales)	(249,413)	(0.17)%	OA60	-	-	69,994	0.41%	
The Company	GPI	Associate	(Sales)	(115,278)	(0.08)%	EM120	-	-	108,740	0.64%	
The Company	ALT	Parent/Subsidiary	(Sales)	(136,695)	(0.09)%	OA60	-	-	24,485	0.14%	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,877,723)	(1.24)%	EM45	-	-	289,987	1.70%	
The Company	APHI	Parent/Subsidiary	Purchases	255,386	0.18%	OA60	-	-	(90,722)	(0.28)%	
The Company	API	Parent/Subsidiary	Purchases	126,242	0.09%	OA60	-	-	(26,052)	(0.08)%	
The Company	AVN	Parent/Subsidiary	Purchases	158,530	0.11%	OA60	-	-	(43,166)	(0.13)%	
The Company	ALT	Parent/Subsidiary	Purchases	563,130	0.39%	OA60	-	-	(126,138)	(0.39)%	
The Company	EDC	Parent/Subsidiary	Purchases	108,921	0.08%	EM60	-	-	(41,790)	(0.13)%	
The Company	AEB	Parent/Subsidiary	Purchases	143,197	0.10%	EM30	-	-	(33,355)	(0.10)%	
The Company	AOI	Parent/Subsidiary	Purchases	4,911,590	3.39%	EM60	-	-	(773,965)	(2.41)%	
The Company	AGT	Parent/Subsidiary	Purchases	970,455	0.67%	OA60	-	-	(206,865)	(0.64)%	
The Company	WLII	Parent/Subsidiary	Purchases	162,297	0.11%	EM60	-	-	(31,985)	(0.10)%	
WELL	WLII	Parent/Subsidiary	Purchases	664,288	97.57%	EM45	-	-	(67,056)	(98.08)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(563,130)	(62.98)%	OA60	-	-	126,138	63.15%	
ALT	The Company	Parent/Subsidiary	Purchases	136,695	16.72%	OA60	-	-	(24,485)	(13.09)%	
EDC	The Company	Parent/Subsidiary	(Sales)	(108,921)	(5.90)%	EM60	-	-	41,790	14.54%	
AEB	The Company	Parent/Subsidiary	(Sales)	(143,197)	(1.90)%	EM30	-	-	33,355	1.52%	
AEB	WLII	Fellow subsidiary	Purchases	315,354	5.08%	EM60	-	-	(82,250)	(6.93)%	
AGM	AFE	Fellow subsidiary	(Sales)	(180,151)	(4.81)%	OA10	-	-	24,024	4.35%	
AGM	AGMPH	Parent/Subsidiary	(Sales)	(952,144)	(25.41)%	OA60	-	-	259,164	46.93%	
WKSH	WKNJ	Parent/Subsidiary	(Sales)	(338,054)	(69.79)%	OA45	-	-	91,202	62.36%	

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	
WKSH	WKNJ	Parent/Subsidiary	Purchases	131,723	35.86%	EM45	-	-	(53,408)	(100.00)%	
WKNJ	WKSH	Parent/Subsidiary	(Sales)	(131,723)	(21.44)%	EM45	-	-	53,408	58.80%	
WKNJ	WKSH	Parent/Subsidiary	Purchases	338,054	56.63%	OA45	-	-	(91,202)	(60.96)%	
AOI	AOE	Parent/Subsidiary	(Sales)	(235,719)	(4.45)%	OA60	-	-	131,896	11.11%	
AOI	The Company	Parent/Subsidiary	(Sales)	(4,911,590)	(92.71)%	EM60	-	-	773,965	65.16%	
AGT	The Company	Parent/Subsidiary	(Sales)	(970,455)	(58.72)%	OA60	-	-	206,865	62.60%	
WLII	The Company	Parent/Subsidiary	(Sales)	(162,297)	(0.91)%	EM60	-	-	31,985	1.25%	
WLII	WELL	Parent/Subsidiary	(Sales)	(664,288)	(3.73)%	EM45	-	-	67,056	2.63%	
WLII	AEB	Fellow subsidiary	(Sales)	(315,354)	(1.77)%	EM60	-	-	82,250	3.23%	
WLII	The Company	Parent/Subsidiary	Purchases	1,877,723	10.96%	EM45	-	-	(289,987)	(11.37)%	
PAM	CRI	Fellow subsidiary	(Sales)	(552,795)	(22.86)%	EM60	-	-	26,075	11.20%	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,633,627)	(3.24)%	OA60	-	-	340,877	3.82%	
AAC	ASC	Fellow subsidiary	(Sales)	(245,826)	(0.49)%	OA60	-	-	3,083	0.03%	
AAC	ATB	Fellow subsidiary	(Sales)	(296,991)	(0.59)%	OA60	-	-	73,761	0.83%	
AAC	The Company	Parent/Subsidiary	Purchases	44,017,585	94.14%	OA90	-	-	(73,007)	(4.52)%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(113,606)	(1.89)%	EM30	-	-	34,539	2.41%	
ACA	The Company	Parent/Subsidiary	Purchases	4,956,844	82.66%	OA60	-	-	(1,308,208)	(94.64)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(318,323)	(64.51)%	OA60	-	-	99,873	84.14%	
ACCQ	ACCN	Fellow subsidiary	Purchases	318,323	2.71%	OA60	-	-	(99,873)	(5.92)%	
ACCQ	GCN	Fellow subsidiary	Purchases	276,408	2.35%	OA60	-	-	(107,784)	(6.39)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	8,903,705	75.74%	OA60	-	-	(121,199)	(7.18)%	
ACF	AEG	Fellow subsidiary	(Sales)	(378,603)	(6.49)%	OA60	-	-	793,275	28.06%	
ACF	AEG	Fellow subsidiary	Purchases	4,693,806	85.52%	OA60	-	-	(133,779)	(73.38)%	
ACF	APX	Fellow subsidiary	Purchases	185,325	3.38%	OA60	-	-	(11,805)	(6.47)%	
ACG	AEG	Fellow subsidiary	(Sales)	(508,657)	(3.48)%	OA60	-	-	1,828,209	27.05%	
ACG	AEG	Fellow subsidiary	Purchases	12,765,410	100.00%	OA60	-	-	(2,686,232)	(97.89)%	
ACG	APL	Fellow subsidiary	Purchases	118,126	1.16%	OA30	-	-	(13,028)	(0.47)%	
ACG	APX	Fellow subsidiary	Purchases	217,935	2.14%	OA45	-	-	(26,477)	(0.96)%	
ACH	AEG	Fellow subsidiary	Purchases	2,743,047	93.62%	OA60	-	-	(646,864)	(94.81)%	
ACH	APX	Fellow subsidiary	Purchases	112,328	3.83%	OA60	-	-	(14,820)	(2.17)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	254,869	61.76%	OA60	-	-	-	-	
ACS	The Company	Parent/Subsidiary	Purchases	1,774,265	83.76%	OA60	-	-	(248,222)	(91.97)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(167,387)	(34.85)%	OA60	-	-	31,466	49.78%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(128,865)	(26.83)%	OA30	-	-	-	-	
ACZ	APX	Fellow subsidiary	Purchases	160,866	37.70%	OA90	-	-	(21,136)	(76.45)%	
AEG	ACF	Fellow subsidiary	(Sales)	(4,693,806)	(8.53)%	OA60	-	-	133,779	1.03%	
AEG	ACG	Fellow subsidiary	(Sales)	(12,765,410)	(23.19)%	OA60	-	-	2,686,232	20.69%	
AEG	ACH	Fellow subsidiary	(Sales)	(2,743,047)	(4.98)%	OA60	-	-	646,864	4.98%	
AEG	AIB	Fellow subsidiary	(Sales)	(3,139,298)	(5.70)%	OA60	-	-	414,947	3.20%	
AEG	AIT	Fellow subsidiary	(Sales)	(4,029,912)	(7.32)%	OA60	-	-	1,505,382	11.60%	
AEG	ASIN	Fellow subsidiary	(Sales)	(13,934,588)	(25.32)%	OA60	-	-	-	-	
AEG	AUK	Fellow subsidiary	(Sales)	(5,196,691)	(9.44)%	OA60	-	-	1,411,458	10.87%	

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	CPY	Fellow subsidiary	(Sales)	(969,127)	(1.76)%	OA60	-	-	354,789	2.73%	
AEG	ENCH	Fellow subsidiary	(Sales)	(1,042,560)	(1.89)%	OA60	-	-	785	0.01%	
AEG	SER	Fellow subsidiary	(Sales)	(1,705,243)	(3.10)%	OA60	-	-	80,949	0.62%	
AEG	ACF	Fellow subsidiary	Purchases	378,603	0.69%	OA60	-	-	(793,275)	(11.20)%	
AEG	ACG	Fellow subsidiary	Purchases	508,657	0.92%	OA60	-	-	(1,828,209)	(25.81)%	
AEG	ACZ	Fellow subsidiary	Purchases	167,387	0.30%	OA60	-	-	(31,466)	(0.44)%	
AEG	AEH	Parent/Subsidiary	Purchases	222,552	0.40%	OA60	-	-	-	-	
AEG	AIB	Fellow subsidiary	Purchases	312,525	0.57%	OA60	-	-	(534,339)	(7.54)%	
AEG	AIT	Fellow subsidiary	Purchases	233,638	0.42%	OA60	-	-	(1,140,576)	(16.10)%	
AEG	APX	Fellow subsidiary	Purchases	619,568	1.13%	OA60	-	-	(11,744)	(0.17)%	
AEG	ENNL	Fellow subsidiary	Purchases	280,885	0.51%	OA30	-	-	(47,799)	(0.67)%	
AEG	The Company	Parent/Subsidiary	Purchases	49,209,858	89.41%	OA60	-	-	(1,146,056)	(16.18)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(222,552)	(74.22)%	OA60	-	-	-	-	
AFE	The Company	Parent/Subsidiary	Purchases	2,091,740	89.07%	OA60	-	-	(778,302)	(98.19)%	
AFE	AGM	Fellow subsidiary	Purchases	180,151	7.67%	OA10	-	-	(24,024)	(3.03)%	
AGMPH	AGM	Parent/Subsidiary	Purchases	952,144	90.52%	OA60	-	-	(259,164)	(99.80)%	
AIB	AEG	Fellow subsidiary	(Sales)	(312,525)	(8.34)%	OA60	-	-	534,339	28.23%	
AIB	AEG	Fellow subsidiary	Purchases	3,139,298	86.68%	OA60	-	-	(414,947)	(94.71)%	
AIB	APX	Fellow subsidiary	Purchases	135,667	3.75%	OA60	-	-	(14,632)	(3.34)%	
AIL	ALIN	Fellow subsidiary	(Sales)	(617,368)	(3.49)%	OA120	-	-	305,642	7.58%	
AIL	The Company	Parent/Subsidiary	Purchases	8,267,854	44.69%	OA150	-	-	(4,333,513)	(69.38)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(108,565)	(1.28)%	OA60	-	-	1,319	0.68%	
AIN	AMI	Fellow subsidiary	Purchases	3,822,308	45.86%	OA90	-	-	(34,312)	(3.28)%	
AIN	The Company	Parent/Subsidiary	Purchases	4,122,475	49.47%	OA90	-	-	(1,157,544)	(100.00)%	
AIT	AEG	Fellow subsidiary	(Sales)	(233,638)	(5.28)%	OA60	-	-	1,140,576	31.35%	
AIT	AEG	Fellow subsidiary	Purchases	4,029,912	94.35%	OA60	-	-	(1,505,382)	(99.40)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,309,732	97.02%	OA60	-	-	(963,214)	(89.47)%	
ALIN	AIL	Fellow subsidiary	Purchases	617,368	100.00%	OA120	-	-	(305,642)	(99.70)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,633,627	95.77%	OA60	-	-	(340,877)	(100.00)%	
AMI	AIN	Fellow subsidiary	(Sales)	(3,822,308)	(99.63)%	OA90	-	-	34,312	100.00%	
AMI	AIN	Parent/Subsidiary	Purchases	108,565	2.78%	OA60	-	-	(1,319)	(0.16)%	
AMI	The Company	Parent/Subsidiary	Purchases	3,348,687	85.86%	OA90	-	-	(782,343)	(94.48)%	
AOE	AOI	Parent/Subsidiary	Purchases	235,719	98.88%	OA60	-	-	(131,896)	(94.34)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(255,386)	(11.42)%	OA60	-	-	90,722	35.78%	
APHI	The Company	Parent/Subsidiary	Purchases	1,308,197	80.17%	OA60	-	-	(389,181)	(95.88)%	
API	The Company	Parent/Subsidiary	(Sales)	(126,242)	(47.45)%	OA60	-	-	26,052	62.94%	
APL	ACG	Fellow subsidiary	(Sales)	(118,126)	(100.00)%	OA30	-	-	13,028	86.66%	
APX	ACF	Fellow subsidiary	(Sales)	(185,325)	(10.48)%	OA60	-	-	11,805	6.47%	
APX	ACG	Fellow subsidiary	(Sales)	(217,935)	(12.33)%	OA45	-	-	26,477	14.50%	
APX	ACH	Fellow subsidiary	(Sales)	(112,328)	(6.35)%	OA60	-	-	14,820	8.12%	
APX	ACZ	Fellow subsidiary	(Sales)	(160,866)	(9.10)%	OA90	-	-	21,136	11.58%	
APX	AEG	Fellow subsidiary	(Sales)	(619,568)	(35.05)%	OA60	-	-	11,744	6.43%	

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	
APX	AIB	Fellow subsidiary	(Sales)	(135,667)	(7.68)%	OA60	-	-	14,632	8.02%	
ARU	ASIN	Fellow subsidiary	(Sales)	(106,811)	(82.48)%	OA60	-	-	-	-	
ASC	AAC	Fellow subsidiary	Purchases	245,826	100.00%	OA60	-	-	(3,083)	(2.93)%	
ASIN	ACZ	Fellow subsidiary	Purchases	128,865	0.93%	OA30	-	-	-	-	
ASIN	AEG	Fellow subsidiary	Purchases	13,934,588	100.00%	OA60	-	-	-	-	
ASIN	ARU	Fellow subsidiary	Purchases	106,811	0.77%	OA60	-	-	-	-	
ASSB	SMA	Parent/Subsidiary	(Sales)	(487,341)	(16.67)%	OA60	-	-	2,549	1.56%	
ASSB	The Company	Parent/Subsidiary	Purchases	2,451,512	88.02%	OA60	-	-	(423,646)	(96.21)%	
ATB	AAC	Fellow subsidiary	Purchases	296,991	3.60%	OA60	-	-	(73,761)	(2.40)%	
ATH	The Company	Parent/Subsidiary	Purchases	3,466,520	84.58%	OA60	-	-	(636,962)	(95.75)%	
AUK	AEG	Fellow subsidiary	Purchases	5,196,691	93.80%	OA60	-	-	(1,411,458)	(98.71)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(158,530)	(40.82)%	OA60	-	-	43,166	50.57%	
AVN	The Company	Parent/Subsidiary	Purchases	249,413	99.89%	OA60	-	-	(69,994)	(1)	
Bluechip	ACA	Fellow subsidiary	Purchases	113,606	3.22%	EM30	-	-	(34,539)	(10.29)%	
CPY	AEG	Fellow subsidiary	Purchases	969,127	85.64%	OA60	-	-	(354,789)	(94.52)%	
CRI	PAM	Fellow subsidiary	Purchases	552,795	38.53%	EM60	-	-	(26,075)	(56.05)%	
ENCH	AEG	Fellow subsidiary	Purchases	1,042,560	85.01%	OA60	-	-	(785)	(10.08)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(280,885)	(53.14)%	OA30	-	-	47,799	16.25%	
ENNL	ENPL	Fellow subsidiary	Purchases	115,601	19.71%	OA60	-	-	(114,690)	(17.93)%	
ENPL	ENNL	Fellow subsidiary	(Sales)	(115,601)	(100.00)%	OA60	-	-	114,690	-	
GCN	ACCQ	Fellow subsidiary	(Sales)	(276,408)	(63.82)%	OA60	-	-	107,784	100.00%	
GPI	The Company	Associate	Purchases	115,278	46.37%	EM120	-	-	(108,740)	(37.77)%	
SER	AEG	Fellow subsidiary	Purchases	1,705,243	100.00%	OA60	-	-	(80,949)	(56.79)%	
SMA	ASSB	Parent/Subsidiary	Purchases	487,341	13.92%	OA60	-	-	(2,549)	(0.94)%	

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
Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital
December 31, 2023

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	ACA	Parent/Subsidiary	1,308,208	3.87	486,984	Under Collection	728,358	-	
The Company	ACCQ	Parent/Subsidiary	133,942	36.28	-	-	133,942	-	
The Company	ACS	Parent/Subsidiary	248,222	9.98	-	-	196,334	-	
The Company	AEG	Parent/Subsidiary	1,146,056	56.13	-	-	1,060,220	-	
The Company	AFE	Parent/Subsidiary	1,144,218	4.86	-	-	611,862	-	
The Company	AIL	Parent/Subsidiary	4,333,513	2.11	610,980	Under Collection	281,094	-	
The Company	AIN	Parent/Subsidiary	1,164,025	3.83	18,780	Under Collection	688,453	-	
The Company	AJC	Parent/Subsidiary	963,309	1.35	450,707	Under Collection	147,984	-	
The Company	AMI	Parent/Subsidiary	782,343	5.01	167,766	Under Collection	259,719	-	
The Company	APHI	Parent/Subsidiary	389,181	2.84	64,007	Under Collection	247,234	-	
The Company	ASSB	Parent/Subsidiary	423,646	5.11	-	-	329,295	-	
The Company	ATH	Parent/Subsidiary	636,962	5.44	177,360	Under Collection	636,962	-	
The Company	GPI	Associate	108,740	1.58	108,740	Under Collection	2,818	-	
The Company	ALT	Parent/Subsidiary	106,547	7.59	2,839	Under Collection	23,606	-	
The Company	ITS	Parent/Subsidiary	543,897	5.34	383	Under Collection	897	-	
The Company	EDC	Parent/Subsidiary	159,836	3.85	-	-	9,095	-	
The Company	WLII	Parent/Subsidiary	290,409	6.80	-	-	283,570	-	
ACSI	EDC	Parent/Subsidiary	101,448	1.99	-	-	-	-	
ALT	The Company	Parent/Subsidiary	135,910	5.30	54,767	Under Collection	52,275	-	
ABH	The Company	Parent/Subsidiary	100,963	-	-	-	100,963	-	
ABH	ABST	Parent/Subsidiary	100,506	-	-	-	-	-	
AGM	AGMPH	Parent/Subsidiary	259,164	3.97	109,054	Under Collection	223,367	-	
AOI	AOA	Parent/Subsidiary	211,285	0.29	193,870	Under Collection	4,535	-	
AOI	AOE	Parent/Subsidiary	131,896	1.44	98,336	Under Collection	55,367	-	
AOI	The Company	Parent/Subsidiary	773,965	8.47	-	-	774,291	-	
AGT	The Company	Parent/Subsidiary	206,865	5.10	44,111	Under Collection	119,985	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
ADSC	The Company	Parent/Subsidiary	150,000	-	-	-	-	-	
AAC	AMEX	Fellow subsidiary	346,531	4.50	126,111	Under Collection	126,111	-	
AAC	ASC	Fellow subsidiary	402,541	5.08	82	Under Collection	51	-	
AAH	AAC	Parent/Subsidiary	4,815,423	-	-	-	-	-	
ACCQ	The Company	Parent/Subsidiary	537,986	-	-	-	-	-	
ACF	AEG	Fellow subsidiary	796,215	0.35	47,296	Under Collection	47,296	-	
ACG	AEG	Fellow subsidiary	1,828,209	0.26	-	-	2,243	-	
ACH	AEG	Fellow subsidiary	383,937	0.04	6,389	Under Collection	6,389	-	
AEG	ACF	Fellow subsidiary	133,779	5.08	-	-	-	-	
AEG	ACG	Fellow subsidiary	2,686,232	3.97	111,289	Under Collection	281,193	-	
AEG	ACH	Fellow subsidiary	646,864	3.46	281	Under Collection	281	-	
AEG	AIB	Fellow subsidiary	414,947	4.93	-	-	-	-	
AEG	AIT	Fellow subsidiary	1,505,382	5.30	-	-	-	-	
AEG	AUK	Fellow subsidiary	1,411,458	3.14	358,438	Under Collection	359,473	-	
AEG	CPY	Fellow subsidiary	354,789	2.94	134,039	Under Collection	52,454	-	
AHN	ENNL	Parent/Subsidiary	119,806	-	-	-	-	-	
AIB	AEG	Fellow subsidiary	535,667	0.51	-	-	-	-	
AIL	ALIN	Fellow subsidiary	305,642	3.07	-	-	-	-	
AIT	AEG	Fellow subsidiary	1,152,926	0.23	-	-	-	-	
APHI	The Company	Parent/Subsidiary	102,667	3.40	-	-	-	-	
ASC	AAC	Fellow subsidiary	173,847	10.05	-	-	-	-	
AUK	AEG	Fellow subsidiary	570,720	0.16	-	-	-	-	
ENPL	ENNL	Fellow subsidiary	114,690	2.02	-	-	-	-	
GCN	ACCQ	Fellow subsidiary	107,784	1.56	2,087	Under Collection	69,056	-	
GWI	CRI	Fellow subsidiary	368,820	-	-	-	-	-	

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
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2023

Table 7

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2023			Maximum ownership during 2023		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	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	2,076,858	66,215	100.00	81,371	81,371	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	28,544,110	1,263,432	92.02	(146,287)	(134,606)	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	19,502,239	147	100.00	(366,713)	(366,713)	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	15,750,004	191,155	100.00	(479,802)	(479,802)	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	43,407	1,421	24.18	91,452	1,421	24.86	9,817	1,855	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	-	5,658,111	-	-	-	158,475	100.00	3,215	3,215	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	6,957,928	1,299,817	850.00	100.00	3,535,915	850	100.00	53,004	53,004	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,362,550	1,362,550	13,296	59.88	774,962	13,296	59.88	190,587	114,096	Parent/Subsidiary
The Company	WLI	Taiwan	Sale of computers and communication products	728,694	728,694	48,073	58.93	1,279,493	48,073	58.93	412,703	243,192	Parent/Subsidiary
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,993,697	6,993,697	39,309	63.54	2,268,145	39,309	65.51	121,263	70,976	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,958,997	130,308	100.00	247,299	247,299	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	341	66.81	7,588	441	66.81	(92)	(62)	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	693,168	333,155	34,264	43.68	619,886	34,264	43.68	232,207	89,071	Parent/Subsidiary
The Company	HSNC	Taiwan	Repair and maintenance of IT products	102,419	102,419	10,242	63.18	128,051	10,242	63.18	24,567	15,522	Parent/Subsidiary
The Company	SFT	Taiwan	R&D, manufacturing and sales of technology application products	172,000	132,000	24,000	100.00	91,105	24,000	100.00	(6,591)	(8,811)	Parent/Subsidiary
The Company	AST	Taiwan	System integration service	404,558	288,390	12,640	56.94	507,034	12,640	56.94	64,212	36,473	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	181,030	271,642	14,984	59.94	189,205	22,484	89.94	18,912	17,009	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	893,639	893,639	24,449	69.85	824,549	24,449	69.85	59,333	41,447	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	1,077,189	107,719	100.00	1,066,869	107,719	100.00	(8,148)	(8,148)	Parent/Subsidiary
The Company	ABI	Taiwan	Sales of beverages and related products	25,000	15,000	1,000	100.00	2,487	1,500	100.00	(12,662)	(12,662)	Parent/Subsidiary
The Company	ASSB	Malaysia	Sale of brand-name IT products	1,193,559	1,193,559	30,969	100.00	1,397,955	30,969	100.00	49,426	49,426	Parent/Subsidiary
The Company	ACS	Singapore	Sale of brand-name IT products	171,997	171,997	3,985	100.00	237,770	3,985	100.00	11,561	11,561	Parent/Subsidiary
The Company	CHC	Taiwan	Energy technical services	50,000	50,000	5,000	41.67	45,306	5,000	41.67	(10,096)	(4,207)	Associate
The Company	ATBD	Singapore	Real estate and related management business	-	-	1	100.00	(578)	100	100.00	(585)	(585)	Parent/Subsidiary
The Company	HRC	Taiwan	Energy technical services	300,000	-	30,000	60.00	300,081	30,000	60.00	135	81	Joint Venture
HSNC	HSNT	Thailand	After-sale and value-added services of IT products	2,345	2,345	25	100.00	13,672	25	100.00	7,612	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	After-sale and value-added services of IT products	30,501	30,501	990	99.00	45,693	990	99.00	2,761	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	After-sale and value-added services of IT products	87,268	87,268	1,000	100.00	124,446	1,000	100.00	24,791	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	After-sale and value-added services of IT products	6,357	6,357	106	100.00	43,255	106	100.00	11,519	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	After-sale and value-added services of IT products	4,192	4,192	-	100.00	5,603	-	100.00	1,548	Note 1	Parent/Subsidiary
AST	ASM	Taiwan	Human resources and project service	66,805	20,000	6,063	60.63	83,306	6,564	100.00	8,589	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	14,000	1	100.00	33,186	1	100.00	9,060	Note 1	Parent/Subsidiary
AST	SPE	Taiwan	Plant engineering planning and construction	99,700	99,700	3,474	29.21	123,839	3,474	33.33	65,400	Note 1	Parent/Subsidiary
ASM	ASMA	U.S.A.	Human resources and project service	15,759	-	1	100.00	15,246	1	100.00	(124)	Note 1	Parent/Subsidiary
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	28,434	1,244	24.88	30,822	Note 1	Associate
ADSC	KBest	Taiwan	Development and manufacturing of radio and microwave equipment	130,720	130,720	4,713	29.84	64,142	4,713	29.84	108,298	Note 1	Associate
ADSC	ENP	Taiwan	Manufacturing of lithium battery module	19,000	15,000	1,900	95.00	5,198	1,900	95.00	(2,672)	Note 1	Parent/Subsidiary
ADSC	AST	Taiwan	System integration service	13,056	8,998	245	1.10	9,830	245	1.10	64,212	Note 1	Fellow subsidiaries
ADSC	ACSI	Taiwan	Cyber security service	18,720	18,720	195	0.88	11,366	195	0.88	190,587	Note 1	Fellow subsidiaries
ADSC	AGM	Taiwan	Agency of video game console and peripherals	4,582	4,582	63	0.18	2,117	63	0.18	59,333	Note 1	Fellow subsidiaries
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	9,369	452	9.05	30,822	Note 1	Associate
CCI	DZH	Cayman Islands	Investment and holding activity	845,523	-	100	100.00	853	100	100.00	-	Note 1	Parent/Subsidiary
CCI	ATB	Brazil	Sale of brand-name IT products	304,540	-	2	-	305	2	-	(691,698)	Note 1	Fellow subsidiaries
CCI	ALIN	Indonesia	Sale of brand-name IT products	161,621	-	163	1.00	300	163	1.00	14,884	Note 1	Fellow subsidiaries
CCI	AIN	India	Sale of brand-name IT products	3,484	-	1	-	3	1	-	114,183	Note 1	Fellow subsidiaries

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2023			Maximum ownership during 2023		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
WLI	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,301	882	30.22	6,777	Note 1	Associate
WLI	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	28,323	1,000	100.00	16,881	Note 1	Parent/Subsidiary
WLI	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	331,601	6,000	20.00	267,166	Note 1	Associate
WLI	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	1,091	75	75.00	441	Note 1	Parent/Subsidiary
WLI	Bluechip	Australia	Sale of computer peripherals and software system	22,411	22,411	434	7.38	21,833	434	7.59	9,817	Note 1	Fellow subsidiaries
WLI	PAM	Taiwan	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	628,483	628,483	14,340	62.53	565,987	14,340	62.53	15,361	Note 1	Parent/Subsidiary
PAM	PAL	British Virgin Islands	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36,979	36,979.00	70	100.00	36,944	70	100.00	(2,210)	Note 1	Parent/Subsidiary
PAM	DCL	Samoa	Investment and holding activity	135,924	135,924	650	100.00	98,341	650	100.00	(22,529)	Note 1	Parent/Subsidiary
PAM	CRI	U.S.A.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	99,078	99,078	2,000	100.00	161,594	2,000	100.00	31,218	Note 1	Parent/Subsidiary
PAM	PRV	Vietnam	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	14,940	2,880	1	100.00	12,668	1	100.00	(1,229)	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,480,930	109,639	7.98	(146,287)	Note 1	Fellow subsidiaries
ACTI	GPI	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.85	159,195	436	28.85	9,894	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(380)	100	100.00	2,274	Note 1	Parent/Subsidiary
Bluechip	DTP	Australia	Investment and holding activity	110,110	110,110	1	100.00	2	1	100.00	-	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	69,343	3,600	100.00	96,708	3,600	100.00	844	Note 1	Parent/Subsidiary
Bluechip	MIA	Australia	Sale of computer peripherals and software system	149,329	149,329	719	100.00	180,035	719	100.00	(8,648)	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	276,559	276,559	26,304	63.46	1,245,420	26,304	63.46	501,328	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	(64,782)	2,900	100.00	(21,246)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	179,111	179,111	9,750	94.20	79,341	9,750	94.20	2,496	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	68,427	6,581	78.59	6,734	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	523,384	394,772	15,750	100.00	90,906	34,308	100.00	(42,925)	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	267,834	10,279	67.51	149,829	10,279	67.51	(38,181)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(12,606)	1,225	49.00	(1,666)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle speedometer	38,173	38,173	2,310	100.00	14,296	2,310	100.00	284	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	62,676	50,676	2,900	100.00	25,534	2,900	100.00	(2,764)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(13,122)	1,275	51.00	(1,666)	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	(71,107)	2,500	100.00	(6,926)	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	(28,853)	6,029	100.00	(5,627)	Note 1	Parent/Subsidiary
AEB	DIS	Taiwan	Wholesale of packaged software	10,125	10,125	675	20.00	9,738	675	20.00	4,215	Note 1	Associate
ITS	TOB	Taiwan	Professional parking lot management services and intelligent parking equipment	97,661	-	1,661	16.13	97,661	1,661	16.13	-	Note 1	Associate
AGM	AGMPH	Philippines	Agency of video game console and peripherals	8,340	8,340	154	100.00	32,084	154	100.00	15,044	Note 1	Parent/Subsidiary
AGM	WKS	Cayman Islands	Investment and holding activity	692,872	641,544	142,538	50.96	724,835	12,337	54.96	48,145	Note 1	Parent/Subsidiary
API	APDI	Taiwan	Solar opronics business	37,446	37,446	2,958	100.00	39,230	2,958	100.00	1,353	Note 1	Parent/Subsidiary
API	ASDI	Taiwan	Hotel management service	73,758	73,758	5,000	100.00	117,104	5,000	100.00	53,838	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	10,000	1,000	100.00	4,992	1,000	100.00	(930)	Note 1	Parent/Subsidiary
ACSI	EDC	Taiwan	Business continuity plan and IT operation outsourcing services	475,748	475,748	44,462	100.00	599,351	44,462	100.00	116,671	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	570	9.70	36,691	570	9.97	9,817	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	(192,952)	15,000	100.00	(23,382)	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1	100.00	34,394	1.00	100.00	(10,887)	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Investment and holding activity	1,623	1,623	50	100.00	314,177	50	100.00	3,151	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	27,332	1	100.00	711	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	15,000	60,000	1,500	100.00	12,902	4,000	100.00	(672)	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	(15,374)	105	70.00	(35,143)	Note 1	Parent/Subsidiary
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	363,284	363,284	6,399	16.60	328,903	6,399	16.60	164,379	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	2	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	2,389	1	100.00	(11,012)	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
Information on Investments in Mainland China
For the year ended December 31, 2023

Table 8

(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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2023		Share of profits/ losses of investee	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	92,205	1	92,205	-	-	92,205	1,445	100.00	-	100.00	1,445	(5,717)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	46,103	2	-	-	-	-	10,189	100.00	-	100.00	10,189	175,868	-
Acer Computer (Shanghai) Ltd.	Repair and maintenance of IT products	61,470	2	61,470	-	-	61,470	33,848	100.00	-	100.00	33,848	1,255,923	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,610,250	2	4,733,190 (Note 2)	-	-	4,733,190	(1,058,689)	100.00	-	100.00	(1,058,689)	3,305,368	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	153,675	1	153,675	-	-	153,675	(13,213)	100.00	-	100.00	(13,213)	6,921	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	25,973	1	Note 3	-	-	-	(20,466)	30.00	-	30.00	(6,140)	-	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	9,239	1	9,239	-	-	9,239	(41)	100.00	-	100.00	(41)	4,981	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	12,987	1	Note 3	-	-	-	(23,572)	30.00	-	30.00	(7,072)	-	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,329	1	4,329	-	-	4,329	102	100.00	-	100.00	102	9,012	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,047	1	19,047	-	-	19,047	1,496	100.00	-	100.00	1,496	28,157	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	114	100.00	-	100.00	114	29,131	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	15,368	1	15,368	-	-	15,368	19,711	100.00	-	100.00	19,711	64,766	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(4,547)	100.00	-	100.00	(4,547)	7,972	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	7,193	100.00	-	100.00	7,193	302,226	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	19,960	2	-	-	-	-	(22,193)	100.00	-	100.00	(22,193)	95,652	-
Shanghai Winking Entertainment Limited	Holding activity, art outsourcing and game development headquarter	433,759	2	-	-	-	-	3,104	100.00	-	100.00	1,582	142,698	-
Shanghai Wishing Entertainment Limited	Management of collaborative art design and IP licensing in Mainland China	89,469	2	-	-	-	-	1,409	100.00	-	100.00	718	8,871	-
Nanjing Winking Entertainment Ltd	Art outsourcing	86,403	2	-	-	-	-	(38,472)	100.00	-	100.00	(19,606)	81,603	-
Acer e-Enabling Service Business (Shang-Hai) Ltd.	Sales of information software and information consulting service	46,103	1	-	46,103	-	46,103	(458)	100.00	-	100.00	(458)	45,721	-

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.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)(Note 5)(Note 6)(Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 4)(Note 5)(Note 6)(Note 7)	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company and Subsidiaries	\$5,768,440 (US\$187,683,082)	\$8,139,884 (264,840,852.98)	\$48,205,239 (Note)

Note 4: 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 amount of US\$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 5: 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 6: As a result of the acquisition of WKS, 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 7: AGM made indirect investment in Mainland China through a holding company (WKS) established in other countries.

The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.735 as of December 31, 2023.

Note: Calculated based on 60% of the consolidated net equity value.



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