

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

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**September 30, 2023, December 31, 2022, and September 30, 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

|   | <b>September 30, 2023</b> |            | <b>December 31, 2022</b> |            | <b>September 30, 2022</b> |            |
|---|---------------------------|------------|--------------------------|------------|---------------------------|------------|
|   | <b>Amount</b>             | <b>%</b>   | <b>Amount</b>            | <b>%</b>   | <b>Amount</b>             | <b>%</b>   |
| <b>Assets</b>   |                           |            |                          |            |                           |            |
| <b>Current assets:</b>  |                           |            |                          |            |                           |            |
| 1100 Cash and cash equivalents  | \$ 52,412,357             | 24         | 46,842,902               | 25         | 31,310,177                | 15         |
| 1110 Financial assets measured at fair value through profit or loss – current                 | 884,087                   | -          | 935,122                  | 1          | 2,882,749                 | 2          |
| 1140 Contract assets – current  | 927,666                   | -          | 523,881                  | -          | 588,627                   | -          |
| 1170 Notes and accounts receivable, net   | 58,218,184                | 27         | 51,322,037               | 27         | 65,221,201                | 32         |
| 1180 Accounts receivable from related parties   | 61,222                    | -          | 41,821                   | -          | 530                       | -          |
| 1200 Other receivables  | 728,050                   | -          | 441,720                  | -          | 569,249                   | -          |
| 1220 Current income tax assets  | 435,764                   | -          | 354,479                  | -          | 558,589                   | -          |
| 130X Inventories  | 45,021,630                | 21         | 42,213,077               | 22         | 58,130,504                | 29         |
| 1476 Other financial assets – current   | 4,198,502                 | 2          | 345,879                  | -          | 210,500                   | -          |
| 1479 Other current assets   | 4,091,304                 | 2          | 3,636,107                | 2          | 3,709,863                 | 2          |
| <b>Total current assets</b>   | <b>166,978,766</b>        | <b>76</b>  | <b>146,657,025</b>       | <b>77</b>  | <b>163,181,989</b>        | <b>80</b>  |
| <b>Non-current assets:</b>  |                           |            |                          |            |                           |            |
| 1517 Financial assets measured at fair value through other comprehensive income – non-current | 11,548,129                | 5          | 7,603,961                | 4          | 6,972,644                 | 3          |
| 1535 Financial assets measured at amortized cost – non-current                                | 4,502,404                 | 2          | 797,782                  | -          | 824,438                   | -          |
| 1550 Investments accounted for using the equity method  | 1,288,800                 | 1          | 1,174,374                | 1          | 1,234,744                 | 1          |
| 1600 Property, plant and equipment  | 4,437,580                 | 2          | 4,298,887                | 2          | 4,190,809                 | 2          |
| 1755 Right-of-use assets  | 2,099,302                 | 1          | 1,969,364                | 1          | 1,937,106                 | 1          |
| 1760 Investment property  | 848,850                   | -          | 831,925                  | 1          | 827,174                   | -          |
| 1780 Intangible assets  | 19,433,090                | 9          | 18,530,591               | 10         | 18,274,448                | 9          |
| 1840 Deferred income tax assets   | 3,713,698                 | 2          | 3,705,388                | 2          | 3,650,021                 | 2          |
| 1980 Other financial assets – non-current   | 1,118,099                 | 1          | 1,082,824                | 1          | 1,016,033                 | 1          |
| 1990 Other non-current assets   | 2,494,985                 | 1          | 2,387,598                | 1          | 2,511,347                 | 1          |
| <b>Total non-current assets</b>   | <b>51,484,937</b>         | <b>24</b>  | <b>42,382,694</b>        | <b>23</b>  | <b>41,438,764</b>         | <b>20</b>  |
| <b>Total assets</b>   | <b>\$ 218,463,703</b>     | <b>100</b> | <b>189,039,719</b>       | <b>100</b> | <b>204,620,753</b>        | <b>100</b> |

(Continued)

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

|  | September 30, 2023    |            | December 31, 2022  |            | September 30, 2022 |            |
|--|-----------------------|------------|--------------------|------------|--------------------|------------|
|  | Amount                | %          | Amount             | %          | Amount             | %          |
| <b>Liabilities and Equity</b>  |                       |            |                    |            |                    |            |
| <b>Current liabilities:</b>  |                       |            |                    |            |                    |            |
| 2100 Short-term borrowings   | \$ 942,538            | 1          | 1,652,086          | 1          | 3,382,626          | 2          |
| 2120 Financial liabilities measured at fair value through profit or loss – current     | 90,146                | -          | 1,015,407          | -          | 172,181            | -          |
| 2130 Contract liabilities – current  | 3,108,841             | 1          | 2,985,415          | 2          | 3,095,341          | 2          |
| 2170 Notes and accounts payable  | 47,926,740            | 22         | 31,549,698         | 17         | 37,778,848         | 18         |
| 2200 Other payables  | 37,686,645            | 17         | 35,449,182         | 19         | 39,394,399         | 19         |
| 2230 Current tax liabilities   | 3,389,427             | 2          | 3,247,082          | 2          | 3,779,231          | 2          |
| 2250 Provisions – current  | 6,810,232             | 3          | 6,916,990          | 3          | 7,088,183          | 3          |
| 2280 Lease liabilities – current   | 666,391               | -          | 613,263            | -          | 596,352            | -          |
| 2322 Current portion of long-term debt   | 28,032                | -          | 58,017             | -          | 57,355             | -          |
| 2365 Refund liabilities – current  | 15,001,320            | 7          | 14,722,275         | 8          | 18,016,436         | 9          |
| 2399 Other current liabilities   | 1,487,173             | 1          | 1,314,317          | 1          | 1,647,670          | 1          |
| <b>Total current liabilities</b>   | <u>117,137,485</u>    | <u>54</u>  | <u>99,523,732</u>  | <u>53</u>  | <u>115,008,622</u> | <u>56</u>  |
| <b>Non-current liabilities:</b>  |                       |            |                    |            |                    |            |
| 2500 Financial liabilities measured at fair value through profit or loss – non-current | -                     | -          | 4,850              | -          | 4,850              | -          |
| 2527 Contract liabilities – non-current  | 804,427               | -          | 829,346            | -          | 899,380            | 1          |
| 2531 Bonds payable   | 10,000,000            | 5          | 10,000,000         | 5          | 10,000,000         | 5          |
| 2540 Long-term debt  | 1,579,424             | -          | 104,476            | -          | 105,133            | -          |
| 2550 Provisions – non-current  | 14,155                | -          | 15,296             | -          | 16,233             | -          |
| 2570 Deferred income tax liabilities   | 5,018,868             | 2          | 5,025,255          | 3          | 4,649,318          | 2          |
| 2580 Lease liabilities – non-current   | 1,591,487             | 1          | 1,495,786          | 1          | 1,484,469          | 1          |
| 2600 Other non-current liabilities   | 1,669,172             | 1          | 1,606,783          | 1          | 2,146,771          | 1          |
| <b>Total non-current liabilities</b>   | <u>20,677,533</u>     | <u>9</u>   | <u>19,081,792</u>  | <u>10</u>  | <u>19,306,154</u>  | <u>10</u>  |
| <b>Total liabilities</b>   | <u>137,815,018</u>    | <u>63</u>  | <u>118,605,524</u> | <u>63</u>  | <u>134,314,776</u> | <u>66</u>  |
| <b>Equity :</b>  |                       |            |                    |            |                    |            |
| 3110 Common stock  | 30,478,538            | 14         | 30,478,538         | 16         | 30,478,538         | 15         |
| 3200 Capital surplus   | 27,721,888            | 13         | 27,795,883         | 15         | 27,993,330         | 13         |
| 3300 Retained earnings   | 17,474,331            | 8          | 14,897,145         | 8          | 15,773,436         | 7          |
| 3400 Other equity  | 2,644,708             | 1          | (4,309,253)        | (2)        | (4,770,641)        | (2)        |
| 3500 Treasury stock  | (2,914,856)           | (1)        | (2,914,856)        | (2)        | (2,914,856)        | (1)        |
| <b>Equity attributable to shareholders of the Parent</b>                               | <u>75,404,609</u>     | <u>35</u>  | <u>65,947,457</u>  | <u>35</u>  | <u>66,559,807</u>  | <u>32</u>  |
| 36XX <b>Non-controlling interests</b>  | <u>5,244,076</u>      | <u>2</u>   | <u>4,486,738</u>   | <u>2</u>   | <u>3,746,170</u>   | <u>2</u>   |
| <b>Total equity</b>  | <u>80,648,685</u>     | <u>37</u>  | <u>70,434,195</u>  | <u>37</u>  | <u>70,305,977</u>  | <u>34</u>  |
| <b>Total liabilities and equity</b>  | <u>\$ 218,463,703</u> | <u>100</u> | <u>189,039,719</u> | <u>100</u> | <u>204,620,753</u> | <u>100</u> |

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

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended September 30, 2023 and 2022, and nine months ended September 30, 2023 and 2022**

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

|      | For the three months ended September 30  |                     |            |                    | For the nine months ended September 30 |                     |            |                     |            |
|------|--|---------------------|------------|--------------------|--|---------------------|------------|---------------------|------------|
|      | 2023   |                     | 2022       |                    | 2023                                   |                     | 2022       |                     |            |
|      | Amount   | %                   | Amount     | %                  | Amount                                 | %                   | Amount     | %                   |            |
| 4000 | Net revenue  | \$ 67,444,821       | 100        | 64,886,593         | 100                                    | 178,162,506         | 100        | 215,586,661         | 100        |
| 5000 | Cost of revenue  | (60,150,982)        | (89)       | (58,325,597)       | (90)                                   | (159,250,382)       | (89)       | (192,170,166)       | (89)       |
|      | <b>Gross profit</b>  | <u>7,293,839</u>    | <u>11</u>  | <u>6,560,996</u>   | <u>10</u>                              | <u>18,912,124</u>   | <u>11</u>  | <u>23,416,495</u>   | <u>11</u>  |
|      | <b>Operating expenses :</b>  |                     |            |                    |  |                     |            |                     |            |
| 6100 | Selling expenses   | (3,756,838)         | (6)        | (3,987,501)        | (6)                                    | (10,689,651)        | (6)        | (12,125,367)        | (5)        |
| 6200 | General and administrative expenses  | (1,368,275)         | (2)        | (1,162,851)        | (2)                                    | (3,874,419)         | (2)        | (3,729,663)         | (2)        |
| 6300 | Research and development expenses  | (643,180)           | (1)        | (591,158)          | (1)                                    | (1,563,703)         | (1)        | (1,772,571)         | (1)        |
|      | <b>Total operating expenses</b>  | <u>(5,768,293)</u>  | <u>(9)</u> | <u>(5,741,510)</u> | <u>(9)</u>                             | <u>(16,127,773)</u> | <u>(9)</u> | <u>(17,627,601)</u> | <u>(8)</u> |
| 6500 | <b>Other operating income and expenses, net</b>  | <u>20,575</u>       | <u>-</u>   | <u>9,126</u>       | <u>-</u>                               | <u>46,438</u>       | <u>-</u>   | <u>128,056</u>      | <u>-</u>   |
|      | <b>Operating income</b>  | <u>1,546,121</u>    | <u>2</u>   | <u>828,612</u>     | <u>1</u>                               | <u>2,830,789</u>    | <u>2</u>   | <u>5,916,950</u>    | <u>3</u>   |
|      | <b>Non-operating income and loss:</b>  |                     |            |                    |  |                     |            |                     |            |
| 7100 | Interest income  | 578,562             | 1          | 128,346            | -                                      | 1,394,040           | -          | 307,219             | -          |
| 7010 | Other income   | 396,430             | -          | 556,176            | 1                                      | 483,195             | -          | 556,176             | -          |
| 7020 | Other gains and losses   | 518,743             | 1          | 1,224,936          | 2                                      | 1,642,060           | 1          | 1,611,468           | 1          |
| 7050 | Finance costs  | (72,266)            | -          | (78,763)           | -                                      | (197,281)           | -          | (138,906)           | -          |
| 7060 | Share of profits (losses) of associates and joint ventures   | 9,272               | -          | 42,581             | -                                      | (13,103)            | -          | 90,136              | -          |
|      | <b>Total non-operating income and loss</b>   | <u>1,430,741</u>    | <u>2</u>   | <u>1,873,276</u>   | <u>3</u>                               | <u>3,308,911</u>    | <u>1</u>   | <u>2,426,093</u>    | <u>1</u>   |
| 7900 | <b>Income before taxes</b>   | <u>2,976,862</u>    | <u>4</u>   | <u>2,701,888</u>   | <u>4</u>                               | <u>6,139,700</u>    | <u>3</u>   | <u>8,343,043</u>    | <u>4</u>   |
| 7950 | <b>Income tax expense</b>  | <u>(781,827)</u>    | <u>(1)</u> | <u>(670,018)</u>   | <u>(1)</u>                             | <u>(1,688,503)</u>  | <u>(1)</u> | <u>(2,089,520)</u>  | <u>(1)</u> |
|      | <b>Net income</b>  | <u>2,195,035</u>    | <u>3</u>   | <u>2,031,870</u>   | <u>3</u>                               | <u>4,451,197</u>    | <u>2</u>   | <u>6,253,523</u>    | <u>3</u>   |
|      | <b>Other comprehensive income (loss) :</b>   |                     |            |                    |  |                     |            |                     |            |
| 8310 | <b>Items that will not be reclassified subsequently to profit or loss</b>  |                     |            |                    |  |                     |            |                     |            |
| 8311 | Remeasurements of defined benefit plans  | -                   | -          | (4,024)            | -                                      | (7,035)             | -          | (2,079)             | -          |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 1,351,166           | 2          | (500,106)          | (1)                                    | 7,537,435           | 4          | (1,505,977)         | (1)        |
| 8320 | Share of other comprehensive income (loss) of associates   | -                   | -          | -                  | -                                      | 2                   | -          | (13)                | -          |
| 8349 | Income tax related to items that will not be reclassified subsequently to profit or loss                                   | -                   | -          | 799                | -                                      | -                   | -          | 313                 | -          |
|      | <b>Total items that will not be reclassified to profit or loss</b>   | <u>1,351,166</u>    | <u>2</u>   | <u>(503,331)</u>   | <u>(1)</u>                             | <u>7,530,402</u>    | <u>4</u>   | <u>(1,507,756)</u>  | <u>(1)</u> |
| 8360 | <b>Items that may be reclassified subsequently to profit or loss</b>   |                     |            |                    |  |                     |            |                     |            |
| 8361 | Exchange differences on translation of foreign operations  | 1,657,374           | 3          | 2,362,665          | 4                                      | 2,679,682           | 2          | 4,970,422           | 2          |
| 8370 | Share of other comprehensive gains (losses) of associates  | 109                 | -          | (78)               | -                                      | 798                 | -          | 71                  | -          |
| 8399 | Income tax related to items that may be reclassified subsequently to profit or loss  | -                   | -          | -                  | -                                      | -                   | -          | -                   | -          |
|      | <b>Total items that may be reclassified subsequently to profit or loss</b>   | <u>1,657,483</u>    | <u>3</u>   | <u>2,362,587</u>   | <u>4</u>                               | <u>2,680,480</u>    | <u>2</u>   | <u>4,970,493</u>    | <u>2</u>   |
|      | <b>Other comprehensive income, net of taxes</b>  | <u>3,008,649</u>    | <u>5</u>   | <u>1,859,256</u>   | <u>3</u>                               | <u>10,210,882</u>   | <u>6</u>   | <u>3,462,737</u>    | <u>1</u>   |
|      | <b>Total comprehensive income for the year</b>   | <u>\$ 5,203,684</u> | <u>8</u>   | <u>3,891,126</u>   | <u>6</u>                               | <u>14,662,079</u>   | <u>8</u>   | <u>9,716,260</u>    | <u>4</u>   |
|      | <b>Net income attributable to:</b>   |                     |            |                    |  |                     |            |                     |            |
| 8610 | Shareholders of the Parent   | \$ 2,007,986        | 3          | 1,876,305          | 3                                      | 3,915,289           | 2          | 5,835,268           | 3          |
| 8620 | Non-controlling interests  | 187,049             | -          | 155,565            | -                                      | 535,908             | -          | 418,255             | -          |
|      |  | <u>\$ 2,195,035</u> | <u>3</u>   | <u>2,031,870</u>   | <u>3</u>                               | <u>4,451,197</u>    | <u>2</u>   | <u>6,253,523</u>    | <u>3</u>   |
|      | <b>Total comprehensive income attributable to:</b>   |                     |            |                    |  |                     |            |                     |            |
| 8710 | Shareholders of the Parent   | \$ 4,985,007        | 8          | 3,782,299          | 6                                      | 14,105,375          | 8          | 9,335,264           | 4          |
| 8720 | Non-controlling interests  | 218,677             | -          | 108,827            | -                                      | 556,704             | -          | 380,996             | -          |
|      |  | <u>\$ 5,203,684</u> | <u>8</u>   | <u>3,891,126</u>   | <u>6</u>                               | <u>14,662,079</u>   | <u>8</u>   | <u>9,716,260</u>    | <u>4</u>   |
|      | <b>Earnings per share (in New Taiwan dollars) :</b>  |                     |            |                    |  |                     |            |                     |            |
| 9750 | Basic earnings per share   | \$ <u>0.67</u>      |            | <u>0.63</u>        |  | <u>1.30</u>         |            | <u>1.94</u>         |            |
| 9850 | Diluted earnings per share   | \$ <u>0.67</u>      |            | <u>0.62</u>        |  | <u>1.30</u>         |            | <u>1.93</u>         |            |

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

## ACER INCORPORATED AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

For the nine months ended September 30, 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       |                |   |                           |              |
| <b>Balance at January 1, 2022</b>  | \$ 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  | -  | -               | -             | -               | 5,835,268                        | 5,835,268    | -  | -  | -                                       | -           | -              | 5,835,268   | 418,255                   | 6,253,523    |
| Other comprehensive income (loss) for the period   | -  | -               | -             | -               | -                                | -            | 4,990,644                                | (1,489,620)  | (1,028)                                 | 3,499,996   | -              | 3,499,996   | (37,259)                  | 3,462,737    |
| Total comprehensive income (loss) for the period   | -  | -               | -             | -               | 5,835,268                        | 5,835,268    | 4,990,644                                | (1,489,620)  | (1,028)                                 | 3,499,996   | -              | 9,335,264   | 380,996                   | 9,716,260    |
| Appropriation approved by the stockholders:  |  |                 |               |                 |                                  |              |  |  |   |             |                |   |                           |              |
| Legal reserve  | -  | -               | 1,058,914     | -               | (1,058,914)                      | -            | -  | -  | -                                       | -           | -              | -   | -                         | -            |
| Special reserve  | -  | -               | -             | 2,564,442       | (2,564,442)                      | -            | -  | -  | -                                       | -           | -              | -   | -                         | -            |
| Cash dividends   | -  | -               | -             | -               | (6,949,107)                      | (6,949,107)  | -  | -  | -                                       | -           | -              | (6,949,107)   | -                         | (6,949,107)  |
| Adjustments of capital surplus for the cash dividends distributed to subsidiaries                      | -  | 107,298         | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | 107,298   | -                         | 107,298      |
| Share of changes in equity of associates   | -  | (2,794)         | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | (2,794)   | (8,621)                   | (11,415)     |
| Change in ownership interests in subsidiaries  | -  | 359,618         | -             | -               | -                                | -            | (291)                                    | 5,195  | 7,486                                   | 12,390      | -              | 372,008   | (372,008)                 | -            |
| Acquisition or disposal of interests in subsidiaries   | -  | -               | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | -   | 22,986                    | 22,986       |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed              | -  | 14,885          | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | 14,885  | (14,885)                  | -            |
| Organizational restructuring under common control  | -  | (3,400)         | -             | -               | -                                | -            | -  | -  | 5,483                                   | 5,483       | -              | 2,083   | (2,083)                   | -            |
| Stock option compensation cost of subsidiaries   | -  | 3,454           | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | 3,454   | 19,098                    | 22,552       |
| Increase in non-controlling interests  | -  | -               | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | -   | 1,581,901                 | 1,581,901    |
| 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                 | -  | -               | -             | -               | 886                              | 886          | -  | (886)  | -                                       | (886)       | -              | -   | -                         | -            |
| <b>Balance at September 30, 2022</b>   | \$ 30,478,538                              | 27,993,330      | 2,515,341     | 7,398,192       | 5,859,903                        | 15,773,436   | (3,815,244)                              | (739,128)  | (216,269)                               | (4,770,641) | (2,914,856)    | 66,559,807  | 3,746,170                 | 70,305,977   |
| <b>Balance at January 1, 2023</b>  | \$ 30,478,538                              | 27,795,883      | 2,515,341     | 7,398,192       | 4,983,612                        | 14,897,145   | (4,219,903)                              | (409,726)  | 320,376                                 | (4,309,253) | (2,914,856)    | 65,947,457  | 4,486,738                 | 70,434,195   |
| Net income for the period  | -  | -               | -             | -               | 3,915,289                        | 3,915,289    | -  | -  | -                                       | -           | -              | 3,915,289   | 535,908                   | 4,451,197    |
| Other comprehensive income (loss) for the period   | -  | -               | -             | -               | -                                | -            | 2,659,439                                | 7,537,681  | (7,034)                                 | 10,190,086  | -              | 10,190,086  | 20,796                    | 10,210,882   |
| Total comprehensive income (loss) for the period   | -  | -               | -             | -               | 3,915,289                        | 3,915,289    | 2,659,439                                | 7,537,681  | (7,034)                                 | 10,190,086  | -              | 14,105,375  | 556,704                   | 14,662,079   |
| Appropriation approved by the stockholders:  |  |                 |               |                 |                                  |              |  |  |   |             |                |   |                           |              |
| 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       |
| Share of changes in equity of associates   | -  | 1,640           | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | 1,640   | -                         | 1,640        |
| Changes in ownership interests in subsidiaries   | -  | (120,139)       | -             | -               | -                                | -            | (1,382)                                  | (431)  | (634)                                   | (2,447)     | -              | (122,586)   | 122,586                   | -            |
| Acquisition or disposal of interests in subsidiaries   | -  | -               | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | -   | (28,613)                  | (28,613)     |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed              | -  | (28,795)        | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | (28,795)  | 28,795                    | -            |
| Stock option compensation cost of subsidiaries   | -  | 3,180           | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | 3,180   | 2,808                     | 5,988        |
| Acquisition of subsidiaries  | -  | -               | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | -   | 220,553                   | 220,553      |
| Increase in non-controlling interests  | -  | -               | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | -   | 284,408                   | 284,408      |
| Cash dividends paid to non-controlling interests by subsidiaries                                       | -  | -               | -             | -               | -                                | -            | -  | -  | -                                       | -           | -              | -   | (429,903)                 | (429,903)    |
| 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)    | -              | -   | -                         | -            |
| <b>Balance at September 30, 2023</b>   | \$ 30,478,538                              | 27,721,888      | 3,011,327     | 7,313,941       | 7,149,063                        | 17,474,331   | (1,561,846)                              | 3,893,846  | 312,708                                 | 2,644,708   | (2,914,856)    | 75,404,609  | 5,244,076                 | 80,648,685   |

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

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the nine months ended September 30, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

|   | <b>For the nine months ended<br/>September 30</b> |                     |
|---|---|---------------------|
|   | <b>2023</b>                                       | <b>2022</b>         |
| <b>Cash flows from operating activities:</b>                                    |   |                     |
| Income before income tax  | \$ 6,139,700                                      | 8,343,043           |
| <b>Adjustments for:</b>   |   |                     |
| <b>Adjustments to reconcile profit or loss:</b>                                 |   |                     |
| Depreciation  | 842,129   | 757,175             |
| Amortization  | 469,264   | 449,128             |
| Net loss on financial assets measured at fair value through profit or loss      | 6,768   | 51,581              |
| Effects of exchange rate changes on financial assets measured at amortized cost | (154,331)   | (84,452)            |
| Interest expense  | 197,281   | 138,906             |
| Interest income   | (1,394,040)                                       | (307,219)           |
| Dividend income   | (483,195)   | (556,176)           |
| Share-based compensation cost   | 5,988   | 22,552              |
| Share of loss (profit) of associates and joint ventures                         | 13,103  | (90,136)            |
| Net gain on disposal of investments accounted for using the equity method       | -   | (8,121)             |
| Loss (gain) on disposal of equipment and intangible assets                      | (1,026)   | 9,759               |
| Impairment loss on non-financial assets   | 1   | -                   |
| Reversal of impairment loss on non-financial assets                             | -   | (30,048)            |
| Net gain on liquidation of subsidiaries   | -   | (19,257)            |
| <b>Total adjustments for profit or loss</b>                                     | <b>(498,058)</b>                                  | <b>333,692</b>      |
| <b>Changes in operating assets and liabilities:</b>                             |   |                     |
| <b>Changes in operating assets:</b>   |   |                     |
| Derivative financial instruments measured at fair value through profit or loss  | (1,591,824)                                       | (1,577,291)         |
| Contract assets   | (374,044)   | (137,273)           |
| Notes and accounts receivable   | (6,787,466)                                       | (1,097,745)         |
| Receivables from related parties  | (19,401)  | 799                 |
| Inventories   | (2,812,178)                                       | 568,267             |
| Other receivables and other current assets                                      | (523,112)   | 203,003             |
| Other non-current assets  | 42,386  | 37,524              |
| <b>Changes in operating assets</b>  | <b>(12,065,639)</b>                               | <b>(2,002,716)</b>  |
| <b>Changes in operating liabilities:</b>  |   |                     |
| Contract liabilities  | 20,124  | 536,826             |
| Notes and accounts payable  | 16,272,814  | (20,118,849)        |
| Other payables and other current liabilities                                    | 2,402,745   | 1,814,689           |
| Provisions  | (110,471)   | 501,107             |
| Refund liabilities  | 279,045   | 1,887,460           |
| Other non-current liabilities   | 55,161  | 76,342              |
| <b>Changes in operating liabilities</b>   | <b>18,919,418</b>                                 | <b>(15,302,425)</b> |
| Cash provided by (used in) operations   | 12,495,421  | (8,628,406)         |
| Interest received   | 1,223,585   | 280,458             |
| Income taxes paid   | (1,545,808)                                       | (4,104,816)         |
| <b>Net cash flows provided by (used in) operating activities</b>                | <b>12,173,198</b>                                 | <b>(12,452,764)</b> |

(Continued)

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

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the nine months ended September 30, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

|  | For the nine months ended<br>September 30 |                     |
|--|---|---------------------|
|  | 2023                                      | 2022                |
| <b>Cash flows from investing activities:</b>   |   |                     |
| Acquisition of financial assets measured at fair value through other comprehensive income            | (766,817)                                 | (615,681)           |
| 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   | (3,541,089)                               | (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                                     | (300,000)                                 | (235,005)           |
| Proceeds from disposal of investments accounted for using the equity method                          | -   | 21,136              |
| Additions to property, plant and equipment and investment property                                   | (410,909)                                 | (394,445)           |
| Proceeds from disposal of property, plant and equipment and intangible assets                        | 26,117                                    | 30,671              |
| Additions to intangible assets   | (256,408)                                 | (342,795)           |
| Payment of contingent consideration arising from business combination or investment in associates    | (35,609)                                  | (37,534)            |
| Net cash inflow from acquisition of subsidiaries   | 209,244                                   | -                   |
| Increase in assets recognized from costs to fulfill contracts with customers                         | (485,757)                                 | (246,243)           |
| Increase in other financial assets   | (3,888,436)                               | (35,396)            |
| Dividends received   | 556,103                                   | 624,495             |
| <b>Net cash flows used in investing activities</b>   | <b>(3,836,310)</b>                        | <b>(27,216)</b>     |
| <b>Cash flows from financing activities:</b>   |   |                     |
| Increase in short-term borrowings  | 2,993,618                                 | 2,460,087           |
| Decrease in short-term borrowings  | (3,743,232)                               | (377,739)           |
| Increase in long-term debt   | 1,500,000                                 | 71,962              |
| Repayment of long-term debt  | (73,619)                                  | (29,400)            |
| Payment of lease liabilities   | (548,551)                                 | (474,702)           |
| Cash dividends   | (4,501,662)                               | (6,841,809)         |
| Cash dividends paid to non-controlling interests by subsidiaries                                     | (429,903)                                 | (207,441)           |
| Issuance of common stock by subsidiaries not subscribed by the Group                                 | 288,561                                   | 1,581,901           |
| Acquisition of interests in subsidiaries   | (28,613)                                  | (21,930)            |
| Proceeds from disposal of interests in subsidiaries (without losing control)                         | -   | 44,916              |
| Interest paid  | (209,711)                                 | (148,640)           |
| <b>Net cash flows used in financing activities</b>   | <b>(4,753,112)</b>                        | <b>(3,942,795)</b>  |
| <b>Effect of foreign exchange rate changes</b>   | <b>1,985,679</b>                          | <b>3,113,411</b>    |
| <b>Increase (decrease) in cash and cash equivalents</b>  | <b>5,569,455</b>                          | <b>(13,309,364)</b> |
| <b>Cash and cash equivalents at beginning of period</b>  | <b>46,842,902</b>                         | <b>44,619,541</b>   |
| <b>Cash and cash equivalents at end of period</b>  | <b>\$ 52,412,357</b>                      | <b>31,310,177</b>   |