Stock Code:2353

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

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries, which comprise the consolidated balance 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 of our opinion.

Key Audit Matters

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

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

		December 31, 2023		December 31, 2022	
	Assets	**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)

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	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	1,120,719	1	1,314,317	1
	Total current liabilities	107,209,551	51	99,523,732	53
	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	1,685,049	1	1,606,783	1
	Total non-current liabilities	21,182,230	11	19,081,792	10
	Total liabilities	128,391,781	62	118,605,524	63
	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	(2,712,774)	(1)	(2,914,856)	(2)
	Equity attributable to shareholders of the Parent	74,726,524	36	65,947,457	35
36XX	**Non-controlling interests**	5,615,541	2	4,486,738	2
	Total equity	80,342,065	38	70,434,195	37
	Total liabilities and equity	**$ 208,733,846**	**100**	**189,039,719**	**100**

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
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)**	(215,484,917)	(89)	(245,679,257)	(89)
	Gross profit	25,823,225	11	29,744,487	11
	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	(2,118,397)	(1)	(2,448,843)	(1)
	Total operating expenses	(21,657,846)	(9)	(22,954,863)	(8)
6500	**Other operating income and expenses, net (notes 6(s)&(aa) and 7)**	60,032	-	138,073	-
	Operating income	4,225,411	2	6,927,697	3
	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))	46,835	-	120,823	-
	Total non-operating income and loss	3,573,384	1	946,124	-
7900	**Income before taxes**	7,798,795	3	7,873,821	3
7950	**Income tax expense** (note 6(u))	(2,167,631)	(1)	(2,270,529)	(1)
	Net income	5,631,164	2	5,603,292	2
	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	3,280	-	(34,430)	-
	Total items that will not be reclassified to profit or loss	7,779,733	3	(669,045)	-
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	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	408,028	-	4,596,870	1
	Other comprehensive income, net of taxes	8,187,761	3	3,927,825	1
	Total comprehensive income for the year	**$ 13,818,925**	**5**	**9,531,117**	**3**
	Net income attributable to:				
8610	Shareholders of the Parent	$ 4,931,944	2	5,003,688	2
8620	Non-controlling interests	699,220	-	599,604	-
		$ 5,631,164	**2**	**5,603,292**	**2**
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	$ 13,141,580	5	8,930,204	3
8720	Non-controlling interests	677,345	-	600,913	-
		$ 13,818,925	**5**	**9,531,117**	**3**
	Earnings per share (in New Taiwan dollars) (note 6(x)):				
9750	Basic earnings per share	**$ 1.64**		**1.67**	
9850	Diluted earnings per share	**$ 1.64**		**1.65**	

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							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance at January 1, 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	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	-	-	-	-	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	**$ 30,478,538**	**27,805,176**	**3,011,327**	**7,313,941**	**8,165,718**	**18,490,986**	**(3,799,702)**	**4,170,049**	**294,251**	**664,598**	**(2,712,774)**	**74,726,524**	**5,615,541**	**80,342,065**

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)

	2023	2022
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	(528,253)	653,481
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	(3,232,475)	30,947,988
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	8,529,718	(29,731,665)
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	12,683,540	5,934,436

(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)

	2023	2022
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	(7,365,817)	(903,029)
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	(4,440,211)	(5,839,256)
Effect of foreign exchange rate changes	413,714	3,031,210
Net increase in cash and cash equivalents	1,291,226	2,223,361
Cash and cash equivalents at beginning of period	46,842,902	44,619,541
Cash and cash equivalents at end of period	$ **48,134,128**	**46,842,902**

See accompanying notes to consolidated financial statements.

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"

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.

(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 December 31, 2023	Percentage of Ownership December 31, 2022	Note
AHI	Acer Market Services Limited ("AMS", Hong Kong)	Investment and holding activity	100.00 %	100.00 %	
AHI	Acer Computer (Far East) Limited ("AFE", Hong Kong)	Sale of brand-name IT products	100.00 %	100.00 %	
AMS	Acer Information (Zhong Shan) Co., Ltd. ("AIZS", China)	Sale of brand-name IT products	100.00 %	100.00 %	
AMS	Acer Computer (Shanghai) Ltd. ("ACCN", China)	Repair and maintenance of IT products	100.00 %	100.00 %	
AMS	Acer (Chongqing) Ltd. ("ACCQ", China)	Sale of brand-name IT products	100.00 %	100.00 %	
The Company	Acer European Holdings SA ("AEH", Switzerland)	Investment and holding activity	100.00 %	100.00 %	
AEH	Acer Europe B.V. ("AHN", the Netherlands)	Investment and holding activity	100.00 %	100.00 %	
AEH	Acer Africa (Proprietary) Limited ("AAF", South Africa)	Marketing 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 December 31, 2023	December 31, 2022	Note
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	AGP Tecnologia em Informatica do Brasil Ltda. ("ATB", Brazil)	Sale of brand-name IT products	100.00 %	100.00 %	
ASCBVI	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 December 31, 2023	Percentage of Ownership December 31, 2022	Note
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 (“AMI”, 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 %	

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
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 (“WKSK”, 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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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
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. (“ACTTW”, Taiwan)	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	100.00 %	100.00 %	
ABH	Altos Computing Inc. (“ALT”, Taiwan)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	78.59 %	
ALT	Beijing Altos Computing Ltd. (“BJAC”, China)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	78.59 %	
ALT	Altos Computing (Thailand) Co., Ltd.(“ALTH”, Thailand)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	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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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
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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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
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	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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
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. (“ASDI”, 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 activites of SPE and thus incorporated it into the Group’s subsidiaries.

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.

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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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)

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.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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
Notes to the Consolidated Financial Statements

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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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

— 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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(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.

(Continued)

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 fulfil a contract only if those costs meet all of the following criteria:

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

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

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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.

(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.

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

	December 31, 2023	December 31, 2022
Cash on hand	$ 3,856	4,199
Bank deposits	23,024,339	23,151,170
Time deposits with original maturities less than three months	25,105,933	23,687,533
	$ **48,134,128**	**46,842,902**

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

	December 31, 2023	December 31, 2022
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	73,764	771,292
	$ **140,558**	**935,122**
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	(28,491)	(11,049)
	$ **(787,803)**	**(1,020,257)**
Current	$ (787,803)	(1,015,407)
Non-current	-	(4,850)
	$ **(787,803)**	**(1,020,257)**

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

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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 (in thousands)		Currency	Maturity period
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

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December 31, 2022				
Contract amount (in thousands)		Currency		Maturity period
USD	61,017	AUD / USD		2023/01~2023/04
USD	1,326	AUD / NTD		2023/02~2023/03
USD	566	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 (in thousands)		Maturity period
USD / CNY	USD	39,300	2024/01~2024/05

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

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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	(179,465)	(142,992)
	52,194,191	51,322,037
Accounts receivable from related parties (note 7(b))	114,041	41,821
	$ 52,308,232	51,363,858

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	56,403	58.06%	(32,747)
	$ 52,373,656		(179,465)

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

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

	2023	2022
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	$ 179,465	142,992

(d) Inventories

	December 31, 2023	December 31, 2022
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
	$ 43,553,072	42,213,077

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

	December 31, 2023	December 31, 2022
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
	$ 11,901,429	7,603,961

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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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 Percentage of ownership	December 31, 2023 Carrying amount	December 31, 2022 Percentage of ownership	December 31, 2022 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 became a subsidiary of the Group. Please refer to notes 4 for further details.

Note (iii): As of December 27, 2023, SFT has became a subsidiary of the Group. Please refer to notes 4 for further details.

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.

		2023	2022
Attributable to the Group:			
Net income	$	55,565	138,691
Other comprehensive income (loss)		(484)	221
Total comprehensive income	$	**55,081**	**138,912**

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

		2023	2022
Attributable to the Group:			
Net loss	$	(8,730)	(17,868)
Other comprehensive income		-	-
Total comprehensive loss	$	**(8,730)**	**(17,868)**

(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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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)	550,300
Goodwill		**$ 339,100**

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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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:

		2023	2022
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.		(19,538)	12,345
	$	**(136,653)**	**166,410**

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(i) Property, plant and equipment

	Land	Buildings	Computer and communication equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:						
Balance at January 1, 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	**$ 1,998,008**	**4,279,308**	**2,133,275**	**2,473,098**	**106,137**	**10,989,826**
Balance at January 1, 2022	$ 1,841,707	4,166,451	1,774,175	2,569,692	34,627	10,386,652
Acquisition through business combination	-	-	61,158	45,757	8,239	115,154
Additions	81,559	103,716	87,993	149,017	35,895	458,180
Disposals	-	(6,595)	(62,589)	(154,397)	-	(223,581)
Reclassification to investment property	-	(9,310)	-	-	-	(9,310)
Other reclassification and effect of exchange rate changes	77,197	21,023	117,788	90,268	(37,920)	268,356
Balance at December 31, 2022	**$ 2,000,463**	**4,275,285**	**1,978,525**	**2,700,337**	**40,841**	**10,995,451**
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	**$ 337,698**	**2,911,367**	**1,470,899**	**1,846,037**	**-**	**6,566,001**
Balance at January 1, 2022	$ 278,877	2,824,030	1,247,491	1,980,384	-	6,330,782
Acquisition through business combination	-	-	23,977	12,493	-	36,470
Depreciation	-	54,679	145,711	132,612	-	333,002
Disposals	-	(6,485)	(60,226)	(141,902)	-	(208,613)
Reclassification to investment property	-	(1,623)	-	-	-	(1,623)
Other reclassification and effect of exchange rate changes	58,821	16,965	58,559	72,201	-	206,546
Balance at December 31, 2022	**$ 337,698**	**2,887,566**	**1,415,512**	**2,055,788**	**-**	**6,696,564**
Carrying amounts:						
Balance at December 31, 2023	**$ 1,660,310**	**1,367,941**	**662,376**	**627,061**	**106,137**	**4,423,825**
Balance at December 31, 2022	**$ 1,662,765**	**1,387,719**	**563,013**	**644,549**	**40,841**	**4,298,887**

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

		Land	Buildings	Other equipment	Total
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	**$**	**18,629**	**3,470,572**	**165,664**	**3,654,865**
Balance at January 1, 2022	$	6,682	2,846,081	190,123	3,042,886
Acquisition through business combination		-	136,397	-	136,397
Additions		14,426	697,032	33,298	744,756
Disposals		-	(543,537)	(42,506)	(586,043)
Effect of exchange rates changes		839	150,934	9,083	160,856
Balance at December 31, 2022	**$**	**21,947**	**3,286,907**	**189,998**	**3,498,852**
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	**$**	**14,490**	**1,644,293**	**71,432**	**1,730,215**
Balance at January 1, 2022	$	4,211	1,207,423	94,610	1,306,244
Acquisition through business combination		-	50,282	-	50,282
Depreciation		7,759	604,427	58,942	671,128
Disposals		-	(524,776)	(41,853)	(566,629)
Effect of exchange rates changes		540	62,679	5,244	68,463
Balance at December 31, 2022	**$**	**12,510**	**1,400,035**	**116,943**	**1,529,488**
Carrying amount:					
Balance at December 31, 2023	**$**	**4,139**	**1,826,279**	**94,232**	**1,924,650**
Balance at December 31, 2022	**$**	**9,437**	**1,886,872**	**73,055**	**1,969,364**

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Investment property

		Land	Buildings	Total
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	**$**	**879,484**	**2,223,211**	**3,102,695**
Balance at January 1, 2022	$	862,870	2,171,237	3,034,107
Additions		-	17,249	17,249
Reclassification from property, plant and equipment		-	9,310	9,310
Other reclassification		(82)	-	(82)
Balance at December 31, 2022	**$**	**862,788**	**2,197,796**	**3,060,584**
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	**$**	**291,388**	**1,949,627**	**2,241,015**
Balance at January 1, 2022	$	291,388	1,923,128	2,214,516
Depreciation		-	12,520	12,520
Reclassification from property, plant and equipment		-	1,623	1,623
Balance at December 31, 2022	**$**	**291,388**	**1,937,271**	**2,228,659**
Carrying amounts:				
Balance at December 31, 2023	**$**	**588,096**	**273,584**	**861,680**
Balance at December 31, 2022	**$**	**571,400**	**260,525**	**831,925**
Fair value:				
Balance at December 31, 2023				**$ 1,299,724**
Balance at December 31, 2022				**$ 1,251,802**

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.

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ACER INCORPORATED AND SUBSIDIARIES
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(l) Intangible assets

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

	Goodwill	Trademarks and trade names	Others	Total
Net balance at January 1, 2023:				
Cost	$ 25,945,854	10,241,387	11,338,192	47,525,433
Accumulated amortization and impairment loss	(8,457,293)	(10,240,614)	(10,296,935)	(28,994,842)
Net balance at January 1, 2023	17,488,561	773	1,041,257	18,530,591
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	(14,274)	2	8,221	(6,051)
Net balance at December 31, 2023	**$ 17,679,864**	**682**	**1,174,786**	**18,855,332**
Net balance at December 31, 2023:				
Cost	$ 26,147,014	10,178,563	11,597,712	47,923,289
Accumulated amortization and impairment loss	(8,467,150)	(10,177,881)	(10,422,926)	(29,067,957)
	$ 17,679,864	**682**	**1,174,786**	**18,855,332**
Net balance at January 1, 2022:				
Cost	$ 23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss	(7,649,842)	(10,190,459)	(10,145,530)	(27,985,831)
Net balance at January 1, 2022	15,816,967	671	709,645	16,527,283
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	1,292,147	14	28,699	1,320,860
Net balance at December 31, 2022	**$ 17,488,561**	**773**	**1,041,257**	**18,530,591**
Net balance at December 31, 2022:				
Cost	$ 25,945,854	10,241,387	11,338,192	47,525,433
Accumulated amortization and impairment loss	(8,457,293)	(10,240,614)	(10,296,935)	(28,994,842)
	$ 17,488,561	**773**	**1,041,257**	**18,530,591**

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

	2023	2022
Cost of revenue	$ 289,419	250,507
Operating expenses	132,603	91,507
Non-operating income and loss	1	7,503
	$ 422,023	**349,517**

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(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:

		RO-EMEA	RO-PA	RO-PAP	RO-China	Other CGUs without significant goodwill	Total
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	$	**9,799,613**	**1,576,040**	**5,459,115**	**-**	**845,096**	**17,679,864**
Balance at January 1, 2022	$	8,927,087	1,430,653	2,951,891	2,263,095	244,241	15,816,967
Acquisition through business combination		-	-	-	-	339,033	339,033
Reclassification		-	-	-	-	40,414	40,414
Effect of exchange rate changes		834,244	144,097	243,557	54,813	15,436	1,292,147
Balance at December 31, 2022	$	**9,761,331**	**1,574,750**	**3,195,448**	**2,317,908**	**639,124**	**17,488,561**

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:

	RO-EMEA	RO-PA	RO-PAP	RO-China
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)

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(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.

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(o) Long-term debt

	December 31, 2023	December 31, 2022
Unsecured loan	$ -	1,006
Secured loan	1,604,553	161,487
Less: current portion of long-term debt	(39,518)	(58,017)
	$ 1,565,035	104,476
Unused credit facilities	$ 4,773,500	4,770,800
Interest rates	1.70%~6.25%	1.87%~6.25%
Maturity year	113~122	112~114

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

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

(p) Bonds payable

	December 31, 2023	December 31, 2022
Unsecured bonds payable	$ 10,000,000	10,000,000

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:

	December 31, 2023	December 31, 2022
Current	$ 613,488	613,263
Non-current	$ 1,486,249	1,495,786

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

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

		2023	2022
Interest on lease liabilities	$	40,677	38,738
Variable lease payments not included in the measurement of lease liabilities	$	109,633	90,651
Expenses relating to short-term leases	$	48,159	41,099
Expenses relating to leases of low-value assets	$	2,027	4,736

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

		2023	2022
Total cash outflow for leases	$	945,207	827,442

(iv) Major terms of leases

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

(r) Provisions

		Warranties	Litigation	Environmental protection and others	Total
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	$	6,141,798	82,909	255,549	6,480,256
Current	$	6,141,798	82,909	241,317	6,466,024
Non-current		-	-	14,232	14,232
	$	6,141,798	82,909	255,549	6,480,256
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	$	6,405,540	293,868	232,878	6,932,286
Current	$	6,405,540	293,868	217,582	6,916,990
Non-current		-	-	15,296	15,296
	$	6,405,540	293,868	232,878	6,932,286

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(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**

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(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	(1,184,287)	(1,340,916)
Net defined benefit liabilities (reported under other non-current liabilities)	**$ 1,476,647**	**1,401,826**

	December 31, 2023	December 31, 2022
Present value of benefit obligations	$ 12,367	12,002
Fair value of plan assets	(72,040)	(70,527)
Net defined benefit assets (reported under other non-current assets)	**$ (59,673)**	**(58,525)**

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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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
	$ 1,256,327	**1,411,443**

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	**$ 2,673,301**	**2,754,744**

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3) Movements in fair value of plan assets

	2023	2022
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	**$ 1,256,327**	**1,411,443**

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

	2023	2022
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
	$ 161,113	**200,014**
Classified under cost of revenue	$ 10,688	12,375
Classified under operating expense	150,425	187,639
	$ 161,113	**200,014**

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2023	December 31, 2022
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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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% Increase	0.25% Decrease	0.25% Increase	0.25% Decrease
Discount rate	$ (68,761)	74,256	(77,009)	58,321
Future salary change	$ 39,542	(35,955)	28,147	(48,786)

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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(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:

		2023	2022
Current income tax expense			
Current period	$	1,491,905	2,024,117
Adjustments for prior years		63,625	(3,706)
		1,555,530	2,020,411
Deferred tax expense			
Origination and reversal of temporary differences		924,835	(428,737)
Change in unrecognized deductible temporary differences		(312,734)	678,855
		612,101	250,118
Income tax expense	**$**	**2,167,631**	**2,270,529**

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

		2023	2022
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	**$**	**3,280**	**(34,430)**

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:

		2023	2022
Income before taxes	**$**	**7,798,795**	**7,873,821**
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		406,973	(699,725)
	$	**2,167,631**	**2,270,529**

(Continued)

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(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	1,585,570	3,387,583
	$ 8,835,552	**9,702,959**

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
4,645,218	2028 and thereafter
$ 4,979,821	

2) Unrecognized deferred income tax liabilities

	December 31, 2023	December 31, 2022
Net profits associated with investments in subsidiaries	**$ 356,102**	**910,775**

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

3) Recognized deferred income tax assets and liabilities

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

Deferred income tax assets:

	Inventory	Accrued expenses and provisions	Unused tax loss carryforwards	Others	Total
Balance at January 1, 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	**$ 173,719**	**3,261,719**	**77,247**	**271,637**	**3,784,322**
Balance at January 1, 2022	$ 166,351	3,253,687	41,074	210,522	3,671,634
Acquisition through business combination	-	-	21,809	3,327	25,136
Recognized in profit or loss	(6,088)	192,244	(11,633)	(101,977)	72,546
Recognized in other comprehensive income	-	-	-	(34,430)	(34,430)
Effect of exchange rate changes	-	-	-	(29,498)	(29,498)
Balance at December 31, 2022	**$ 160,263**	**3,445,931**	**51,250**	**47,944**	**3,705,388**

Deferred income tax liabilities:

	Unremitted earnings from subsidiaries	Unrealized foreign exchange gain on financial instruments	Intangible assets	Others	Total
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	**$ 5,319,153**	**11,040**	**333,606**	**54,883**	**5,718,682**
Balance at January 1, 2022	$ 3,832,828	474,852	299,983	36,167	4,643,830
Acquisition through business combination	-	-	37,814	20,947	58,761
Recognized in profit or loss	796,074	(465,315)	6,534	(14,629)	322,664
Balance at December 31, 2022	**$ 4,628,902**	**9,537**	**344,331**	**42,485**	**5,025,255**

(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)

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(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):

	2023	2022
Balance at January 1	3,001,108	3,001,108
Disposal of the Company's share by subsidiaries recognized as treasury share transactions	5,100	-
Balance at December 31	**3,006,208**	**3,001,108**

(ii) Capital surplus

	December 31, 2023	December 31, 2022
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	710,114	824,769
	$ 27,805,176	**27,795,883**

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

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

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

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

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

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

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

On March 16, 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.

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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.

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(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	2023	2022
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	(1,364)	(287)
Balance at December 31	**$ (3,799,702)**	**(4,219,903)**

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

	2023	2022
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	(431)	5,195
Balance at December 31	**$ 4,170,049**	**(409,726)**

3) Remeasurement of defined benefit plans:

	2023	2022
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	(312)	7,486
Balance at December 31	**$ 294,251**	**320,376**

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

		2023	2022
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	$	5,615,541	4,486,738

(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

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

Issuer	Grant Date	Numbers of options granted (in thousands of shares)	Contract period
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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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:

	AST (2022)	AGM	AGT (2022)	ACSI	AMED	AEB
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%

	PAM	MPS	AGT (2023)	ASM	AST (2023)	AOI
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 abovemetioned 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:

	2023	2022
Net income attributable to the ordinary shareholders of the Parent	$ 4,931,944	5,003,688
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,145	3,001,108
Basic earnings per share (in New Taiwan dollars)	$ 1.64	1.67

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(ii) Diluted earnings per share

	2023	2022
Net income attributable to the ordinary shareholders of the Parent	$ **4,931,944**	**5,003,688**
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	12,512	25,195
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock) (in thousands)	**3,013,657**	**3,026,303**
Diluted earnings per share (in New Taiwan dollars)	$ **1.64**	**1.65**

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 59,648,514	-	59,648,514
Pan America	60,634,209	-	60,634,209
Asia Pacific	74,353,689	46,671,730	121,025,419
	$ **194,636,412**	**46,671,730**	**241,308,142**

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

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(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including receivables from related parties)	$ 52,487,697	51,506,850	64,161,529
Less: loss allowance	(179,465)	(142,992)	(120,763)
	$ 52,308,232	51,363,858	64,040,766
Contract assets－current	$ 701,205	523,881	451,354
Contract liabilities－current	$ 3,252,251	2,985,415	2,455,504
Contract liabilities－non-current	$ 712,983	829,346	1,002,391

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.

(Continued)

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(aa) Other operating income and expenses – net

	2023	2022
Government grants	$ 4,608	92,388
Rental income	55,424	45,685
	$ 60,032	138,073

(ab) Non-operating income and loss

(i) Interest income

	2023	2022
Interest income from bank deposits	$ 1,778,582	519,056
Other interest income	281,113	16,690
	$ 2,059,695	535,746

(ii) Other income

	2023	2022
Dividend income	$ 484,476	556,176

(iii) Other gains and losses

	2023	2022
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	26,833	67,758
	$ 1,265,856	(72,937)

(iv) Finance costs

	2023	2022
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	205	(29,118)
	$ 283,478	193,684

(Continued)

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(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
	$ 126,160,274	109,414,048

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
	$ 92,455,567	81,942,765

(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.

(Continued)

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	73,764	-	-	73,764
	$ 74,581	**65,977**	**-**	**140,558**
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 11,055,296	-	-	11,055,296
Unlisted stock	-	-	846,133	846,133
	$ 11,055,296	**-**	**846,133**	**11,901,429**
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	-	-	(28,491)	(28,491)
	$ -	**(759,312)**	**(28,491)**	**(787,803)**
Financial assets measured at amortized cost：				
Fixed rate corporate bonds	**$ 4,058,105**	**609,893**	**-**	**4,667,998**

(Continued)

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

	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	(43)	(3,346)	-	37,014
Balance at December 31	$ (28,491)	846,133	(11,049)	890,208

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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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

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

			Net income or loss for current period		Other comprehensive income	
	Input	Change in assumptions	Favorable	Unfavorable	Favorable	Unfavorable
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.

(Continued)

(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
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(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
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(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
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 70,877,833	19,555,796	51,322,037	-	-	51,322,037

December 31, 2022

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

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

(Continued)

(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.

(Continued)

(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.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
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
	$ 92,157,759	**76,162,690**	**5,751,067**	**8,384,019**	**1,859,983**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross:					
Outflow	$ 54,118,249	54,118,249	-	-	-
Inflow	(53,559,119)	(53,559,119)	-	-	-
	$ 559,130	**559,130**	**-**	**-**	**-**
Foreign currency option contracts－settled in gross:					
Outflow	$ 1,224,922	1,224,922	-	-	-
Inflow	(1,207,886)	(1,207,886)	-	-	-
	$ 17,036	**17,036**	**-**	**-**	**-**
December 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	$ 1,670,735	1,670,735	-	-	-
Long-term debt carrying floating interest rates	172,130	63,244	42,433	66,453	-
Bonds payable carrying fixed interest rates	10,260,500	69,000	69,000	10,122,500	-
Notes and accounts payable	31,549,698	31,549,698	-	-	-
Other payables	35,449,182	32,699,483	2,729,124	20,575	-
Lease liability	2,174,023	649,316	496,724	777,178	250,805
	$ 81,276,268	**66,701,476**	**3,337,281**	**10,986,706**	**250,805**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross:					
Outflow	$ 58,294,250	58,294,250	-	-	-
Inflow	(57,907,837)	(57,907,837)	-	-	-
	$ 386,413	**386,413**	**-**	**-**	**-**
Foreign currency option contracts－settled in gross:					
Outflow	$ 318,506	318,506	-	-	-
Inflow	(313,222)	(313,222)	-	-	-
	$ 5,284	**5,284**	**-**	**-**	**-**

(Continued)

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**
Financial assets					
Monetary items					
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
Financial liabilities					
Monetary items					
USD	1,878,513	30.7350	57,736,097	1 %	577,361

(Continued)

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(in thousands)

	December 31, 2022				
	Foreign currency	**Exchange rate**	**NTD**	**Change in magnitude**	**Pre-tax effect on profit or loss**
Financial assets					
Monetary items					
USD	$ 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
Financial liabilities					
Monetary items					
EUR	105,277	32.8729	3,460,760	1 %	34,608
USD	1,622,036	30.7080	49,809,481	1 %	498,095

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.

(Continued)

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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:

			Non-cash changes			
	January 1, 2023	**Cash flows**	**Movement of leases**	**Business merger**	**Fluctuation of foreign exchange rate**	**December 31, 2023**
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	10,000,000	-	-	-	-	10,000,000
Total liabilities from financing activities	**$13,923,628**	**(27,569)**	**651,381**	**52,291**	**81,186**	**14,680,917**

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

(Continued)

7. Related-party transactions

(a) Related party name and categories

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

Name of related party	Relationship with the Group
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.)
Erics Sports Marketing Inc.	The entity's chairman is the first-degree relatives of the Company's director
Mu-Jin Investment Co., Ltd	The entity's legal representative is the Company's chairman
Mu-Shi Investment Co., Ltd	The entity's legal representative is the Company's chairman
Yuan Kuo Hostipal	The person in charge is the second-degree relative of the chairman of the Company
Chen Junhong Pediatric Clinic	The person in charge is the second-degree relative of the chairman of the Company
Ambi Arts Inc.	The chairman of the entity's parent company is the Company's director
Porrima Inc.	The entity's chairman is the Company's director

(Continued)

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Name of related party	Relationship with the Group
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:

	2023	2022
Associates	$ 120,479	66,499
Joint venture	4,538	31
Other related parties	5,420	4,918
	$ 130,437	71,448

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:

	2023	2022
Associates	$ 60,367	30,682

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

(iii) Operating expenses and other losses

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

Account	Related-party categories	2023	2022
Operating expense	Associates	$ 1,745	1,745
Operating expense	Other related parties	10,000	13,835
		$ 11,745	15,580

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(iv) Lease

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

	2023	2022
Associates	$ -	212
Joint venture	-	211
Other related parties	81	127
	$ 81	**550**

(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:

	2023	2022
Associates	$ 48	48
Joint venture	3,771	3,634
Other related parties	159	123
	$ 3,978	**3,805**

(vi) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories	December 31, 2023	December 31, 2022
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	18	129
		$ 114,065	**42,617**

(vii) Payables to related parties

The payables to related parties were as follows:

Account	Related party categories	December 31, 2023	December 31, 2022
Accounts and notes payable	Associates	$ 29,326	32,138
Other payables	Associates	490	-
Other payables	Other related parties	58	15,031
		$ 29,874	**47,169**

(Continued)

(c) Compensation for key management personnel

	2023	2022
Short-term employee benefits	$ 457,975	367,745
Post-employment benefits	9,807	9,465
	$ 467,782	377,210

8. Pledged assets

The carrying values of pledged assets were as follows:

Assets	Pledged to secure	December 31, 2023	December 31, 2022
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
		$ 4,187,573	2,767,897

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.

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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;

(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.

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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	**$ 197,539,067**	**55,656,923**	**(11,887,848)**	**241,308,142**
Segment profit (loss)	**$ 4,077,171**	**1,841,750**	**(1,693,510)**	**4,225,411**

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

(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
	$ 241,308,142	**275,423,744**

(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
	$ 241,308,142	**275,423,744**

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Non-current assets:

Region		December 31, 2023	December 31, 2022
U.S.A.	$	12,614,580	11,584,163
Taiwan		7,246,385	6,095,293
Others		6,260,224	8,017,438
	$	**26,121,189**	**25,696,894**

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	GWI	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	GWI	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	WLII	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	ANZNZ 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 prefered stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.
Note 3: The stocks of FBFH are prefered stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.
Note 4: The stocks of TSFH are prefered stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated and Subsidiaries

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

For the year ended December 31, 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	-	
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 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	WLII	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			
WLII	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,301	882	30.22	6,777	Note 1	Associate
WLII	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
WLII	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
WLII	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	1,091	75	75.00	441	Note 1	Parent/Subsidiary
WLII	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
WLII	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 amout 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.