Stock Code:2353

ACER INCORPORATED

Parent-Company-Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the financial statements of Acer Incorporated("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2023 and 2022, and its parent-company-only financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows:

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Valuation of inventories

Refer to Note 4(g) for the accounting policies on inventory valuation, Note 5(b) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(e) for the details of the write-down of inventories, respectively, to the parent-company-only financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Impairment of goodwill from investment in subsidiaries

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shih, Wei-Ming and Kao, Ching-Wen.

KPMG

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

Notes to Readers

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

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

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

ACER INCORPORATED

Parent-Company-Only Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 18,363,188	12	16,424,913	12
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	59,412	-	125,665	-
1136	Financial assets measured at amortized cost－current (note 6(g))	461,025	-	-	-
1170	Notes and accounts receivable, net (notes 6(c) & (v))	4,037,018	3	3,569,975	3
1180	Notes and accounts receivable from related parties (notes 6(c) & (v) and 7)	13,018,418	9	12,743,460	9
1200	Other receivables, net (note 6(d))	411,520	-	152,614	-
1210	Other receivables from related parties (notes 6(d) and 7)	1,217,952	1	1,049,499	1
1220	Current income tax assets	101,880	-	56,483	-
130X	Inventories (note 6(e))	13,780,973	9	12,515,946	9
1476	Other financial assets－current (note 6(a))	1,239,900	1	10,500	-
1479	Other current assets	473,761	-	239,666	-
	Total current assets	53,165,047	35	46,888,721	34
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(f))	10,112,654	7	6,465,744	5
1536	Financial assets measured at amortized cost－non-current (note 6(g))	4,211,756	3	797,782	1
1550	Investments accounted for using the equity method (note 6(h))	78,036,358	51	77,041,422	56
1600	Property, plant and equipment (note 6(i))	1,805,810	1	1,754,509	1
1755	Right-of-use assets (note 6(j))	80,633	-	120,214	-
1760	Investment property (note 6(k))	827,742	1	824,318	1
1780	Intangible assets (note 6(l))	179,704	-	179,677	-
1840	Deferred income tax assets (note 6(s))	3,081,892	2	3,082,794	2
1980	Other financial assets－non-current (note 8)	152,782	-	148,466	-
1990	Other non-current assets	34,547	-	46,457	-
	Total non-current assets	98,523,878	65	90,461,383	66
	Total assets	**$ 151,688,925**	**100**	**137,350,104**	**100**

(Continued)

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

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

ACER INCORPORATED

Parent-Company-Only Balance Sheets (Continued)

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b))	$ 490,931	-	714,504	1
2130	Contract liabilities－current (note 6(v))	10,855	-	8,809	-
2170	Accounts payable	30,956,168	20	21,099,402	15
2180	Accounts payable to related parties (note 7)	1,201,326	1	758,286	1
2200	Other payables (note 6(w))	21,264,177	14	24,676,398	18
2220	Other payables to related parties (note 7)	468,815	-	2,895,984	2
2230	Current tax liabilities (note 6(p) and 9)	1,666,225	1	1,891,249	1
2250	Provisions－current	797,244	1	1,011,266	1
2280	Lease liabilities－current (note 6(o))	54,885	-	63,209	-
2365	Refund liabilities－current	2,644,086	2	2,781,608	2
2399	Other current liabilities	27,030	-	276,737	-
	Total current liabilities	59,581,742	39	56,177,452	41
	Non-current liabilities:				
2530	Bonds payable (note 6(n))	10,000,000	7	10,000,000	7
2540	Long-term debt (note 6(m))	1,500,000	1	-	-
2570	Deferred income tax liabilities (note 6(s))	5,227,538	4	4,530,059	4
2580	Lease liabilities－non-current (note 6(o))	27,436	-	57,923	-
2600	Other non-current liabilities (note 6(r))	612,332	-	624,079	-
2622	Long-term payable to related parties (note 7)	13,353	-	13,134	-
	Total non-current liabilities	17,380,659	12	15,225,195	11
	Total liabilities	76,962,401	51	71,402,647	52
	Equity (note 6(f),(h) & (t)):				
3110	Common stock	30,478,538	20	30,478,538	22
3200	Capital surplus	27,805,176	18	27,795,883	20
3300	Retained earnings	18,490,986	12	14,897,145	11
3400	Other equity	664,598	1	(4,309,253)	(3)
3500	Treasury stock	(2,712,774)	(2)	(2,914,856)	(2)
	Total equity	74,726,524	49	65,947,457	48
	Total liabilities and equity	**$ 151,688,925**	**100**	**137,350,104**	**100**

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Net revenue (notes 6(v) and 7)**	$ 150,992,910	100	169,284,764	100
5000	**Cost of revenue (notes 6(e) & (p) and 7)**	(143,493,770)	(95)	(159,192,798)	(94)
	Gross profit	7,499,140	5	10,091,966	6
5920	Realized (unrealized) gross profit on sales to subsidiaries, associates and joint ventures	(37,423)	-	40,330	-
	Realized gross profit	7,461,717	5	10,132,296	6
	Operating expenses (notes 6(c), (i), (j), (k), (l), (o), (p), (q), (r) & (w), 7 and 12):				
6100	Selling expenses	(1,400,978)	(1)	(2,772,572)	(1)
6200	General and administrative expenses	(1,054,664)	(1)	(1,283,169)	(1)
6300	Research and development expenses	(1,612,880)	(1)	(1,991,463)	(1)
	Total operating expenses	(4,068,522)	(3)	(6,047,204)	(3)
6500	**Other operating income and expenses, net (notes 6(o), (q) & (x) and 7)**	130,515	-	132,051	-
	Operating income	3,523,710	2	4,217,143	3
	Non-operating income and loss:				
7100	Interest income (notes 6(y) and 7)	822,112	1	74,621	-
7010	Other income (note 6(y))	400,382	-	519,988	-
7020	Other gains and losses (notes 6(y) and 7)	1,574,350	1	(59,447)	-
7050	Finance costs (notes 6(o) & (y) and 7)	(92,086)	-	(113,533)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(h))	60,104	-	1,721,078	1
	Total non-operating income and loss	2,764,862	2	2,142,707	1
	Income before taxes	6,288,572	4	6,359,850	4
7950	**Income tax expenses (note 6(s))**	(1,356,628)	(1)	(1,356,162)	(1)
	Net Income	4,931,944	3	5,003,688	3
	Other comprehensive income (loss) (notes 6(f), (h), (r), (s) & (t)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	4,508	-	89,278	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	7,165,914	5	(1,127,724)	(1)
8330	Share of other comprehensive income of subsidiaries and associates	618,551	-	386,990	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(902)	-	(17,856)	-
	Total items that will not be reclassified subsequently to profit or loss	7,788,071	5	(669,312)	(1)
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	421,565	-	4,595,828	3
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	421,565	-	4,595,828	3
	Other comprehensive income (loss), net of taxes	8,209,636	5	3,926,516	2
	Total comprehensive income for the year	**$ 13,141,580**	**8**	**8,930,204**	**5**
	Earnings per share (in New Taiwan dollars) (note 6(u)):				
9750	Basic earnings per share	$	**1.64**		**1.67**
9850	Diluted earnings per share	$	**1.64**		**1.65**

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity
Balance at January 1, 2022	$ 30,478,538	27,514,269	1,456,427	4,833,750	10,596,212	16,886,389	(8,805,597)	746,183	(228,210)	(8,287,624)	(2,914,856)	63,676,716
Net income for the year	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,595,828	(1,204,929)	535,617	3,926,516	-	3,926,516
Total comprehensive income (loss) for the year	-	-	-	-	5,003,688	5,003,688	4,595,828	(1,204,929)	535,617	3,926,516	-	8,930,204
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	1,058,914	-	(1,058,914)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,564,442	(2,564,442)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,949,107)	(6,949,107)	-	-	-	-	-	(6,949,107)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	107,298	-	-	-	-	-	-	-	-	-	107,298
Share of changes in equity of associates	-	(2,746)	-	-	-	-	-	-	-	-	-	(2,746)
Changes in ownership interests in subsidiaries	-	154,065	-	-	-	-	(287)	5,195	7,486	12,394	-	166,459
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	12,345	-	-	-	-	-	-	-	-	-	12,345
Organizational restructuring under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	2,083
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,350
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(43,825)	(43,825)	-	43,825	-	43,825	-	-
Liquidation of subsidiaries	-	-	-	-	-	-	1,855	-	-	1,855	-	1,855
Balance at December 31, 2022	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
Net income for the year	-	-	-	-	4,931,944	4,931,944	-	-	-	-	-	4,931,944
Other comprehensive income (loss) for the year	-	-	-	-	-	-	421,565	7,813,884	(25,813)	8,209,636	-	8,209,636
Total comprehensive income (loss) for the year	-	-	-	-	4,931,944	4,931,944	421,565	7,813,884	(25,813)	8,209,636	-	13,141,580
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	495,986	-	(495,986)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(84,251)	84,251	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119
Disposal of the Company's share by subsidiaries recognized as treasury share transactions	-	73,115	-	-	-	-	-	-	-	-	202,082	275,197
Share of changes in equity of associates	-	1,640	-	-	-	-	-	-	-	-	-	1,640
Changes in ownership interests in subsidiaries	-	(117,115)	-	-	-	-	(1,364)	(431)	(312)	(2,107)	-	(119,222)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(19,538)	-	-	-	-	-	-	-	-	-	(19,538)
Organizational restructuring under common control	-	252	-	-	-	-	-	-	-	-	-	252
Stock option compensation cost of subsidiaries	-	820	-	-	-	-	-	-	-	-	-	820
Disposal of financial assets measured at fair value through other comprehensive income by the Company	-	-	-	-	3,212,026	3,212,026	-	(3,212,026)	-	(3,212,026)	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	21,652	21,652	-	(21,652)	-	(21,652)	-	-
Balance at December 31, 2023	**$ 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**

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	$ 6,288,572	6,359,850
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	150,584	144,017
Amortization	44,723	23,271
Net loss (gain) on financial assets measured at fair value through profit or loss	1,844	(907)
Effects of exchange rate changes in financial assets measured at amortized cost	(2,449)	(57,817)
Interest expense	92,086	113,533
Interest income	(822,112)	(74,621)
Dividend income	(400,382)	(519,988)
Share of profits of subsidiaries, associates and joint ventures	(60,104)	(1,721,078)
Gain on disposal of equipment and intangible assets	(418)	(670)
Gain on disposal of investments	(3,967)	-
Loss on liquidation of subsidiaries	-	2,301
Gain on bargain purchase	(2,216)	-
Property, Plant and equipment reclassified to cost	323	-
Unrealized (realized) profit from sales to subsidiaries, associates and joint ventures	37,423	(40,330)
Total adjustments for profit or loss	(964,665)	(2,132,289)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(159,164)	887,025
Notes and accounts receivable	(467,043)	2,765,789
Notes and accounts from related parties	(274,958)	24,775,065
Inventories	(1,269,222)	3,687,416
Other receivables and other current assets	(447,761)	112,354
Other non-current assets	10,596	(7,369)
Changes in operating assets	(2,607,552)	32,220,280
Changes in operating liabilities:		
Accounts payable	9,856,766	(26,878,442)
Payables to related parties	(2,146,537)	2,732,230
Refund liabilities	(137,522)	(854,679)
Other payables and other current liabilities	(3,662,347)	(2,041,977)
Provisions	(214,022)	176,541
Contract liabilities	2,046	(703)
Other non-current liabilities and long-term payables to related parties	(7,020)	(33,488)
Changes in operating liabilities	3,691,364	(26,900,518)
Cash provided by operations	6,407,719	9,547,323
Interest received	752,829	66,508
Income taxes paid	(929,570)	(2,716,260)
Net cash provided by operating activities	6,230,978	6,897,571

(Continued)

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(766,817)	(902,926)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	4,285,821	-
Acquisition of financial assets measured at amortized cost	(3,859,633)	(739,775)
Additions to investments accounted for using the equity method	(826,182)	(3,001,210)
Proceeds from disposal of investments accounted for using the equity method	100,946	509,697
Proceeds from capital reduction or liquidation of investments accounted for using the equity method	397,320	11,044
Acquisition of property, plant and equipment and investment property	(120,096)	(76,739)
Proceeds from disposal of equipment and intangible assets	627	670
Increase in receivables from related parties	(157,327)	(423,010)
Acquisition of intangible assets	(28,544)	(25,960)
Decrease (increase) in other financial assets	(1,233,716)	1,601
Increase in assets recognized from costs to fulfill contracts with customers	(14,891)	-
Dividends received	1,011,609	980,389
Net cash flows used in investing activities	(1,210,883)	(3,666,219)
Cash flows from financing activities:		
Increase in short-term borrowings	-	5,077,804
Decrease in short-term borrowings	-	(5,077,804)
Increase in long-term debt	1,500,000	-
Payment of lease liabilities	(80,780)	(83,477)
Increase (decrease) in loans from related parties	160,000	(225,000)
Cash dividends	(4,571,781)	(6,949,107)
Interest paid	(89,259)	(113,533)
Net cash flows used in financing activities	(3,081,820)	(7,371,117)
Net increase (decrease) in cash and cash equivalents	1,938,275	(4,139,765)
Cash and cash equivalents at beginning of period	16,424,913	20,564,678
Cash and cash equivalents at end of period	$ **18,363,188**	**16,424,913**

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

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

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

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

1. Organization and business

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

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

2. Authorization of the parent-company-only financial statements

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

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

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

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

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

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

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

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

4. Summary of material accounting policies

The material accounting policies presented in the parent-company-only financial statements are summarized as follows. The following accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The accompanying parent-company-only financial statements have been prepared in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” (the “Regulations”).

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent-company-only financial statements have been prepared on a historical cost basis except for the following items:

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

(ii) Functional and presentation currency

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

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(c) Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

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

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

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

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

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

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

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

All financial assets not classified as measured at amortized cost or at FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

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

3) Treasury stock

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

4) Financial liabilities

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

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

5) Derecognition of financial liabilities

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

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

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

(g) Inventories

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

(h) Investments accounted for using the equity method

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

An associate is an entity in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

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

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

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

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

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

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

(Continued)

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Notes to Parent-Company-Only Financial Statements

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

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

(i) Investments in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Carrying amount of investments in subsidiaries includes goodwill arising from initial recognition less any accumulated impairment losses, which is recognized as a reduction of carry amount. Under the equity method, profit or loss and other comprehensive income recognized in parent-company-only financial statement is in line with total comprehensive income attributable to owners of the Parent in the consolidated financial statements. In addition, changes in equity recognized in parent-company-only financial statement is in line with the changes in equity attributable to owners of parent in the consolidated financial statements. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

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

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

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment property

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

(iii) Subsequent costs

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

(iv) Depreciation

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

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

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

(k) Investment property

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

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

(Continued)

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Notes to Parent-Company-Only Financial Statements

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

(l) Leases

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

(i) As a lessee

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

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

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

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

— fixed payments, including in-substance fixed payments;

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

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

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

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

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

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

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications in lease subject, scope of the lease or other terms.

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

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

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

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

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

(ii) As a lessor

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

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

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

(Continued)

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Notes to Parent-Company-Only Financial Statements

(m) Intangible assets

(i) Goodwill

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

(ii) Trademarks

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

(iii) Other intangible assets

Other separately acquired intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the following estimated useful lives: patents - 4 to 15 years; acquired software - 1 to 3 years.

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

(n) Impairment of non-financial assets

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

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

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

(Continued)

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

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

(o) Provisions

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

(i) Warranties

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

(ii) Others

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

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

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

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

2) Revenue from service rendered

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

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

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

3) Financing components

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

(Continued)

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

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

2) Assets recognized from costs to fulfill contracts with customers

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

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

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

(q) Government grant

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

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

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

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(r) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(s) Share-based payment

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

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

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

(t) Income taxes

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

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;
(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
(iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

1) the same taxable entity; or

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

(u) Earnings per share ("EPS")

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

(v) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

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

The preparation of the parent-company-only financial statements in conformity with the Regulations requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in the future periods affected.

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

(a) Revenue recognition (accrual of sales allowance)

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

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(b) Valuation of inventory

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

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

(c) Impairment of goodwill from investments in subsidiaries

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

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 614	614
Bank deposits	6,782,871	5,185,171
Time deposits with original maturities less than three months	11,579,703	11,239,128
	$ 18,363,188	**16,424,913**

As of December 31, 2023 and 2022, the time deposits with original maturities between three months and one year amounted to $1,239,900 and $10,500, respectively, which were classified as other financial assets－current.

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

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	$ 58,595	123,004
Non-derivative financial assets		
Stocks listed on foreign markets	817	2,661
	$ 59,412	**125,665**
Financial liabilities held for trading－current:		
Derivatives－Foreign currency forward contracts	**$ (490,931)**	**(714,504)**

(Continued)

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

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

(i) Foreign currency forward contracts

December 31, 2023					
Contract amount (in thousands)		**Currency**			**Maturity period**
USD	538,000	USD	/	NTD	2024/01
USD	233,410	EUR	/	USD	2024/01~2024/05
USD	1,428	NZD	/	USD	2024/01~2024/02
USD	59,708	AUD	/	USD	2024/01~2024/05
USD	56,499	USD	/	JPY	2024/01~2024/12
USD	152,018	USD	/	INR	2024/01~2024/10

December 31, 2022					
Contract amount (in thousands)		**Currency**			**Maturity period**
USD	662,000	USD	/	NTD	2023/01
USD	298,162	EUR	/	USD	2023/01~2023/06
USD	5,757	NZD	/	USD	2023/01~2023/03
USD	55,082	AUD	/	USD	2023/01~2023/04
USD	43,386	USD	/	JPY	2023/01~2023/10
USD	135,967	USD	/	INR	2023/01~2023/07

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

	December 31, 2023	December 31, 2022
Notes receivable	$ 14,925	5,250
Accounts receivable	4,023,554	3,566,480
Less: loss allowance	(1,461)	(1,755)
	4,037,018	3,569,975
Notes and accounts receivable from related parties (note 7(b))	13,018,418	12,743,460
	$ **17,055,436**	**16,313,435**

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

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 3,198,023	0.05%	(1,461)
Past due 1-30 days	653,782	0.00%	-
Past due 31-60 days	182,985	0.00%	-
Past due 61-90 days	1,094	0.00%	-
Past due 91-180 days	2,096	0.00%	-
Past due 181 days or over	499	0.00%	-
	$ 4,038,479		**(1,461)**

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 2,789,857	0.05%	(1,460)
Past due 1-30 days	752,600	0.00%	-
Past due 31-60 days	21,095	0.00%	-
Past due 61-90 days	3,046	0.03%	(1)
Past due 91-180 days	4,784	0.19%	(9)
Past due 181 days or over	348	81.90%	(285)
	$ 3,571,730		**(1,755)**

As of December 31, 2023 and 2022, no expected credit losses was provided for abovementioned notes and accounts receivable from related parties after management's assessment. The analysis was as follows:

	December 31, 2023	December 31, 2022
Current	$ 9,940,433	8,606,720
Past due 1-30 days	2,236,952	2,061,103
Past due 31-60 days	313,628	1,201,646
Past due 61-90 days	84,674	466,288
Past due 91-180 days	287,492	276,177
Past due 181 days or over	155,239	131,526
	$ 13,018,418	**12,743,460**

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

	2023	2022
Balance at January 1	$ 1,755	1,798
Impairment loss recognized (reversed)	(294)	177
Write-off	-	(220)
Balance at December 31	**$ 1,461**	**1,755**

(d) Other receivables, net

	December 31, 2023	December 31, 2022
Other receivables from related parties (note 7(b))	$ 1,217,952	1,049,499
Reimbursement of advertising expense	135,075	62,880
Purchase discount	115,100	57,772
Interest receivable	53,462	8,222
Others	107,883	23,740
	$ 1,629,472	**1,202,113**

As of December 31, 2023 and 2022, no loss allowance was provided for other receivables after management's assessment.

(e) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 12,698,362	11,456,106
Finished goods and merchandise	740,248	709,763
Spare parts	50,213	59,573
Inventories in transit	292,150	290,504
	$ 13,780,973	**12,515,946**

For the years ended December 31, 2023 and 2022, the amounts of inventories recognized as cost of revenues were $132,395,422 and $147,697,860, respectively, of which $(1,299,501) and $894,308, respectively, were the write-down of inventories (reversal of write-downs). The write-downs arose from the write-down of inventories to net realizable value. The reversal of write-downs arose from the increase in the net realizable value or the sale of inventories, and the circumstance of net realizable value of inventories being lower than the cost of inventories no longer existed.

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(f) 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	$ 9,568,286	6,143,288
Domestic unlisted stock	544,368	322,456
	$ 10,112,654	6,465,744

The Company designated the investments shown above financial assets measured as at fair value through other comprehensive income because these equity instruments are held for long-term strategic purposes and not for trading. Certain financial assets measured at FVOCI were disposed of in 2023, the related gain accumulated in other comprehensive income of $3,212,026 has been reclassified from other equity to retained earnings, accordingly.

(g) Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Fixed Rate Corporate Bonds	$ 4,672,781	797,782
Current	$ 461,025	-
Non-current	4,211,756	797,782
	$ 4,672,781	797,782

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

(h) Investments accounted for using the equity method

A summary of the Company’s investments accounted for using the equity method is as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 77,680,491	76,927,756
Associates	55,786	59,933
Joint ventures	300,081	53,733
	$ 78,036,358	77,041,422

(i) For the information of subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) The Company has performed an impairment test for Goodwill from investment in subsidiaries, and there was no impairment as a result of the test. Please refer to the consolidated financial statements for the year ended December 31, 2023 for the description of the impairment of goodwill.

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(iii) Associates and joint venture

Name of Associates and Joint Venture	December 31, 2023 Percentage of ownership	December 31, 2023 Carrying amount	December 31, 2022 Percentage of ownership	December 31, 2022 Carrying amount
Associates	-	$ 55,786	-	59,933
Joint Venture:				
Smart Frequency Technology Inc. ("SFT", note (i) and (ii))	-	-	55.00	53,733
Haoru Electric Co., Ltd ("HRC", note (ii))	60.00	300,081	-	-
		$ 355,867		113,666

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

Note (ii): Based on the joint venture agreement with a third party, the Company and the other party have joint control over it. Accordingly, this investment was accounted for using the equity method.

	2023	2022
The Company's share of net loss of the associates:		
Net loss	$ (4,147)	(97)
Other comprehensive income	-	-
Total comprehensive loss	$ (4,147)	(97)

	2023	2022
The Company's share of net loss of the joint venture:		
Net loss	$ (8,730)	(17,868)
Other comprehensive income	-	-
Total comprehensive loss	$ (8,730)	(17,868)

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(i) Property, plant and equipment

The movements of cost, and accumulated depreciation and impairment loss of the property, plant and equipment were as follows:

	Land	Buildings	Computer and communication equipment	Other equipment	Total
Cost or deemed cost:					
Balance at January 1, 2023	$ 1,427,739	2,555,537	541,439	268,222	4,792,937
Additions	-	27,919	77,836	2,613	108,368
Disposals	-	(40,922)	(57,374)	(18,112)	(116,408)
Reclassifications	-	(2,944)	3,739	-	795
Balance at December 31, 2023	**$ 1,427,739**	**2,539,590**	**565,640**	**252,723**	**4,785,692**
Balance at January 1, 2022	$ 1,427,739	2,541,949	534,025	275,998	4,779,711
Additions	-	29,368	17,589	12,533	59,490
Disposals	-	(6,470)	(43,017)	(20,309)	(69,796)
Reclassifications	-	(9,310)	32,842	-	23,532
Balance at December 31, 2022	**$ 1,427,739**	**2,555,537**	**541,439**	**268,222**	**4,792,937**
Accumulated depreciation and impairment loss:					
Balance at January 1, 2023	$ 278,877	2,022,305	490,880	246,366	3,038,428
Depreciation	-	26,932	25,731	6,463	59,126
Disposals	-	(40,838)	(57,374)	(17,987)	(116,199)
Reclassifications	-	(1,340)	(133)	-	(1,473)
Balance at December 31, 2023	**$ 278,877**	**2,007,059**	**459,104**	**234,842**	**2,979,882**
Balance at January 1, 2022	$ 278,877	2,007,506	492,511	260,639	3,039,533
Depreciation	-	22,892	18,781	6,036	47,709
Disposals	-	(6,470)	(43,017)	(20,309)	(69,796)
Reclassifications	-	(1,623)	22,605	-	20,982
Balance at December 31, 2022	**$ 278,877**	**2,022,305**	**490,880**	**246,366**	**3,038,428**
Carrying amounts:					
Balance at December 31, 2023	**$ 1,148,862**	**532,531**	**106,536**	**17,881**	**1,805,810**
Balance at December 31, 2022	**$ 1,148,862**	**533,232**	**50,559**	**21,856**	**1,754,509**

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Notes to Parent-Company-Only Financial Statements

(j) Right-of-use assets

		Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2023	$	207,464	6,117	213,581
Additions		37,604	4,365	41,969
Disposals		(62,920)	(6,117)	(69,037)
Balance at December 31, 2023	$	**182,148**	**4,365**	**186,513**
Balance at January 1, 2022	$	174,928	6,117	181,045
Additions		127,367	-	127,367
Disposals		(94,831)	-	(94,831)
Balance at December 31, 2022	$	**207,464**	**6,117**	**213,581**
Accumulated depreciation:				
Balance at January 1, 2023	$	88,709	4,658	93,367
Depreciation		79,515	2,035	81,550
Disposals		(62,920)	(6,117)	(69,037)
Balance at December 31, 2023	$	**105,304**	**576**	**105,880**
Balance at January 1, 2022	$	101,670	2,619	104,289
Depreciation		81,870	2,039	83,909
Disposals		(94,831)	-	(94,831)
Balance at December 31, 2022	$	**88,709**	**4,658**	**93,367**
Carrying amount:				
Balance at December 31, 2023	$	**76,844**	**3,789**	**80,633**
Balance at December 31, 2022	$	**118,755**	**1,459**	**120,214**

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Notes to Parent-Company-Only Financial Statements

(k) Investment property

		Land	Buildings	Total
Cost or deemed cost:				
Balance at January 1, 2023	$	840,869	2,188,895	3,029,764
Additions		-	11,728	11,728
Reclassifications		-	2,944	2,944
Balance at December 31, 2023	**$**	**840,869**	**2,203,567**	**3,044,436**
Balance at January 1, 2022	$	840,869	2,162,336	3,003,205
Additions		-	17,249	17,249
Reclassifications		-	9,310	9,310
Balance at December 31, 2022	**$**	**840,869**	**2,188,895**	**3,029,764**
Accumulated depreciation and impairment loss:				
Balance at January 1, 2023	$	274,710	1,930,736	2,205,446
Depreciation		-	9,908	9,908
Reclassifications		-	1,340	1,340
Balance at December 31, 2023	**$**	**274,710**	**1,941,984**	**2,216,694**
Balance at January 1, 2022	$	274,710	1,916,714	2,191,424
Depreciation		-	12,399	12,399
Reclassifications		-	1,623	1,623
Balance at December 31, 2022	**$**	**274,710**	**1,930,736**	**2,205,446**
Carrying amounts:				
Balance at December 31, 2023	**$**	**566,159**	**261,583**	**827,742**
Balance at December 31, 2022	**$**	**566,159**	**258,159**	**824,318**
Fair value:				
Balance at December 31, 2023				**$ 1,292,238**
Balance at December 31, 2022				**$ 1,244,195**

The fair value of the investment property is determined by referring to the market price of similar real estate transaction or the value in use of the investment property. The value in use is the present value of the future cash flows from continuous lease activities. On December 31, 2023 and 2022, the estimated discount rate used for calculating the present value of the future cash flows was 6.57% and 6.83%, respectively.

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(l) Intangible assets

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

	Goodwill	Trademarks and trade names	Patent	Software	Total
Net balance at January 1, 2023:					
Cost	$ 166,604	7,489,298	1,344,680	320,325	9,320,907
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,052)	(307,880)	(9,141,230)
Net balance at January 1, 2023	166,604	-	628	12,445	179,677
Additions	-	-	-	28,544	28,544
Amortization	-	-	(628)	(27,889)	(28,517)
Net balance at December 31, 2023	**$ 166,604**	**-**	**-**	**13,100**	**179,704**
Net balance at December 31, 2023:					
Cost	$ 166,604	7,489,298	1,344,680	338,489	9,339,071
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,680)	(325,389)	(9,159,367)
	$ 166,604	**-**	**-**	**13,100**	**179,704**
Net balance at January 1, 2022:					
Cost	$ 166,604	7,489,298	1,344,680	669,019	9,669,601
Accumulated amortization and impairment loss	-	(7,489,298)	(1,342,995)	(661,494)	(9,493,787)
Net balance at January 1, 2022	166,604	-	1,685	7,525	175,814
Additions	-	-	-	25,960	25,960
Amortization	-	-	(1,057)	(21,040)	(22,097)
Net balance at December 31, 2022	**$ 166,604**	**-**	**628**	**12,445**	**179,677**
Net balance at December 31, 2022:					
Cost	$ 166,604	7,489,298	1,344,680	320,325	9,320,907
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,052)	(307,880)	(9,141,230)
	$ 166,604	**-**	**628**	**12,445**	**179,677**

The amortization of intangible assets were included in operating expenses of the parent-company-only statements of comprehensive income.

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(m) Long-term debt

	December 31, 2023	December 31, 2022
Secured loans	$ 1,500,000	-
Less: current portion of long-term debt	-	-
	$ 1,500,000	-
Unused credit facilities	$ 4,773,500	4,770,800
Interest rates	1.70%	-

The Company pledged the time deposits of its subsidiaries as collateral to secure the bank loans.
There were no additions and repayments made for the year ended December 31, 2022.

(n) Bonds payable

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

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

(o) Lease liabilities

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

	December 31, 2023	December 31, 2022
Current	$ 54,885	63,209
Non-current	$ 27,436	57,923

Please refer to note 6(aa) for maturity analysis.

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

	2023	2022
Interest on lease liabilities	$ 1,580	1,469
Expenses relating to short-term leases	$ -	9

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

	2023	2022
Total cash outflow for leases	$ 82,360	84,955

(iv) Major terms of leases

The Company leases buildings, vehicles, office equipment, and miscellaneous equipment with lease terms ranged from 1 to 5 years. As certain leases of office and miscellaneous equipment meet the definition of short-term lease or lease of low-value assets, the Company has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

(p) Provisions－current

	Warranties	Litigation	Environmental protection	Total
Balance at January 1, 2023	$ 731,443	214,956	64,867	1,011,266
Additions and reversals	295,936	(225,953)	57,172	127,155
Amount utilized	(295,307)	-	(57,339)	(352,646)
Effect of exchange rate changes	472	10,997	-	11,469
Balance at December 31, 2023	$ 732,544	-	64,700	797,244
Balance at January 1, 2022	$ 579,275	193,830	61,620	834,725
Additions	440,639	-	59,024	499,663
Amount utilized	(296,245)	-	(55,777)	(352,022)
Effect of exchange rate changes	7,774	21,126	-	28,900
Balance at December 31, 2022	$ 731,443	214,956	64,867	1,011,266

(i) Warranties

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

(ii) Litigation

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

(iii) Environmental protection

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

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(q) Operating lease

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

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

	December 31, 2023	December 31, 2022
Less than 1 year	$ 98,976	83,653
1 year to 2 years	81,325	63,050
2 years to 3 years	62,573	62,653
3 years to 4 years	62,573	62,573
4 years to 5 years	62,573	62,573
Over 5 years	203,351	265,924
Total undiscounted lease payments	**$ 571,371**	**600,426**

In 2023 and 2022, the rental income from investment property amounted to $65,075 and $65,563, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized were as follows:

	2023	2022
Arising from investment property that generated rental income during the period	$ 26,485	25,951
Arising from investment property that did not generate rental income during the period	6,011	7,816
	$ 32,496	**33,767**

(r) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of benefit obligations	$ 776,435	862,598
Fair value of plan assets	(172,198)	(252,072)
Net defined benefit liabilities (reported under other non-current liabilities)	**$ 604,237**	**610,526**

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Notes to Parent-Company-Only Financial Statements

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

1) Composition of plan assets

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

As of December 31, 2023 and 2022, the balances of aforementioned pension funds were \$172,198 and \$252,072, respectively. For information on the domestic labor pension fund assets (including the asset portfolio and yield of the fund), please refer to the website of the Bureau of Labor Funds.

2) Movements in present value of the defined benefit obligations

	2023	2022
Defined benefit obligations at January 1	$ 862,598	945,444
Current service costs	7,430	9,005
Interest expense	14,936	5,869
Remeasurement on the net defined benefit liabilities:		
Actuarial (gain) loss arising from experience adjustments	(13,169)	23,142
Actuarial loss (gain) arising from changes in financial assumption	9,017	(99,072)
Benefits paid by the company and the plan	(104,158)	(11,487)
Liabilities transferred due to the Group's employee shift	(219)	(10,303)
Defined benefit obligations at December 31	**$ 776,435**	**862,598**

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3) Movements in fair value of plan assets

	2023	2022
Fair value of plan assets at January 1	$ 252,072	226,570
Interest income	2,773	914
Remeasurement on the net defined benefit liabilities		
Return on plan assets (excluding amounts included in net interest expense)	356	13,348
Benefits paid by the plan	(103,187)	(11,487)
Contributions by the employer	26,829	27,752
Loss on curtailment	(6,645)	(5,025)
Fair value of plan assets at December 31	**$ 172,198**	**252,072**

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	$ 7,430	9,005
Net interest expense	12,163	4,955
Loss on curtailment	6,645	5,025
	$ 26,238	**18,985**
Classified under operating expense	**$ 26,238**	**18,985**

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.625 %	1.750 %
Future salary increases rate	4.000 %	4.000 %

The Company expects to make contribution of $26,498 to the defined benefit plans in the year following December 31, 2023. The weighted average duration of the defined benefit plans is 11.55 years.

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7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2023 and 2022.

	December 31, 2023		December 31, 2022	
	0.25% Increase	0.25% Decrease	0.25% Increase	0.25% Decrease
Discount rate	$ (17,866)	18,459	(20,117)	20,774
Future salary increasing rate	$ 17,608	(17,146)	19,840	(19,317)

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

(ii) Defined contribution plans

The Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2023 and 2022, the Company recognized pension expenses of $86,671 and $85,098, respectively, which had been contributed to the Bureau of Labor Insurance, in relation to the defined contribution plans.

(s) Income taxes

(i) The components of income tax expense were as follows:

	2023	2022
Current income tax expense		
Current period	$ 653,465	1,060,710
Adjustments for prior years	5,684	(213)
	659,149	1,060,497
Deferred tax expense		
Origination and reversal of temporary differences	1,107,712	60,066
Change in unrecognized deductible temporary differences	(410,233)	235,599
	697,479	295,665
Income tax expense	$ 1,356,628	1,356,162

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The components of income tax 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	$ 902	17,856

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

	2023	2022
Income before taxes	$ 6,288,572	6,359,850
Income tax using the Company's statutory tax rate	$ 1,257,714	1,271,970
Adjustments for prior-year income tax expense	5,684	(213)
Change in unrecognized temporary differences	(410,233)	235,599
Undistributed earnings additional tax	56,974	1,187
Additional income tax under the Alternative Minimum Tax Act	197,400	-
Others	249,089	(152,381)
	$ 1,356,628	1,356,162

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	December 31, 2023	December 31, 2022
Loss associated with investments in subsidiaries	$ 1,919,925	2,069,328
Deductible temporary differences	-	816,471
	$ 1,919,925	2,885,799

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

2) Unrecognized deferred income tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities. The related amounts were as follows:

	December 31, 2023	December 31, 2022
Profits associated with investments in subsidiaries	$ 329,076	884,717

(Continued)

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Notes to Parent-Company-Only Financial Statements

3) Recognized deferred income tax assets and liabilities

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

Deferred income tax assets:

		Remeasurements of defined benefit plans	Accrued expenses and costs	Others	Total
Balance at January 1, 2023	$	85,460	2,997,334	-	3,082,794
Recognized in profit or loss		-	(148,463)	148,463	-
Recognized in other comprehensive loss		(902)	-	-	(902)
Balance at December 31, 2023	**$**	**84,558**	**2,848,871**	**148,463**	**3,081,892**
Balance at January 1, 2022	$	103,316	2,997,334	-	3,100,650
Recognized in other comprehensive loss		(17,856)	-	-	(17,856)
Balance at December 31, 2022	**$**	**85,460**	**2,997,334**	**-**	**3,082,794**

Deferred income tax liabilities:

		Income from investments accounted for using the equity method	Others	Total
Balance at January 1, 2023	$	4,523,461	6,598	4,530,059
Recognized in profit or loss		699,879	(2,400)	697,479
Balance at December 31, 2023	**$**	**5,223,340**	**4,198**	**5,227,538**
Balance at January 1, 2022	$	3,756,686	477,708	4,234,394
Recognized in profit or loss		766,775	(471,110)	295,665
Balance at December 31, 2022	**$**	**4,523,461**	**6,598**	**4,530,059**

(iii) No income tax was recognized directly in equity in 2023 and 2022.

(iv) The Company’s income tax returns for the years through 2021 were examined and approved by the R.O.C. income tax authorities.

(t) Capital and other equity

(i) Common stock

As of December 31, 2023 and 2022, the Company had issued 5,558 thousand units and 5,664 thousand units, respectively, of global depository receipts (GDRs). The GDRs were listed on the London Stock Exchange, and each GDR represents five common shares.

As of December 31, 2023 and 2022, the Company’s authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,854 thousand shares were issued. The par value of the Company’s common stock is $10 per share. All issued shares were paid up upon issuance.

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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.

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

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

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

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

On March 16, 2023, the Company's Board of Directors approved the distribution of cash dividends amounting to $4,571,781 ($1.5 per share, in New Taiwan Dollars), of which $70,119 was distributed to the subsidiaries holding the Company's common shares. Additionally, on June 6, 2023, the Company's shareholders approved an appropriation of legal reserve $495,986 and a reversal of special reserve of $84,251.

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

On March 14, 2024, the Company's Board of Directors had approved the distribution of cash dividends amounting to $4,876,566 ($1.6 per share, in New Taiwan Dollars), of which $66,634 was distributed to the subsidiaries holding the Company's common shares.

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

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(iv) Treasury stock

As of December 31, 2023 and 2022, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary CCI and ASCBVI and the Company's common stock held by subsidiaries CCI (to maintain the Company's shareholders' equity), ASCBVI (to maintain the Company's shareholders' equity), and AGT (resulting from the acquisition of AGT) were as follows (expressed in thousands of shares):

	December 31, 2023		
	Number of shares	**Carrying amount**	**Market value**
Common stock	16,709	$ 743,157	898,944
GDRs	24,937	1,969,617	1,226,316
	41,646	**$ 2,712,774**	**2,125,260**

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

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

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	2023	**2022**
Balance at January 1	$ (4,219,903)	(8,805,597)
Generated by the Company:		
Foreign exchange differences arising from translation of foreign operations	421,565	4,595,828
Changes in ownership interests in subsidiaries	(1,364)	(287)
Liquidation of subsidiaries	-	1,855
Organizational restructuring under common control	-	(11,702)
Balance at December 31	**$ (3,799,702)**	**(4,219,903)**

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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
Generated by the Company:			
Change in fair value of financial assets measured at fair value through other comprehensive income		7,165,914	(1,127,724)
Share of other comprehensive income of subsidiaries		647,970	(77,205)
Disposal of financial assets measured at fair value through other comprehensive income by the Company		(3,212,026)	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries		(21,652)	43,825
Changes in ownership interests in subsidiaries		(431)	5,195
Balance at December 31	**$**	**4,170,049**	**(409,726)**

3) Remeasurement of defined benefit plans:

		2023	2022
Balance at January 1	$	320,376	(228,210)
Change in the period (generated by the Company)		3,606	71,422
Share of other comprehensive income of subsidiaries		(29,419)	464,195
Changes in ownership interests in subsidiaries		(312)	7,486
Reorganization under common control		-	5,483
Balance at December 31	**$**	**294,251**	**320,376**

(u) Earnings per share ("EPS")

(i) Basic earnings per share

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

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

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(ii) Diluted earnings per share

	2023	2022
Net income attributable to the ordinary shareholders	$ **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**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 43,300,512	5,987,870	49,288,382
Pan America	36,703,770	7,519,753	44,223,523
Asia Pacific	45,482,737	11,998,268	57,481,005
	$ **125,487,019**	**25,505,891**	**150,992,910**

	2022		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 55,015,347	7,278,735	62,294,082
Pan America	32,703,859	6,834,723	39,538,582
Asia Pacific	55,409,798	12,042,302	67,452,100
	$ **143,129,004**	**26,155,760**	**169,284,764**

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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)	$ 17,056,897	16,315,190	43,856,087
Less: loss allowance	(1,461)	(1,755)	(1,798)
	$ 17,055,436	16,313,435	43,854,289
Contract liabilities－current	$ 10,855	8,809	9,512

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

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

The amount of revenue recognized in 2023 and 2022 that was included in the contract liability balance at January 1, 2023 and 2022, was $7,652 and $5,173, respectively.

(w) Remuneration to employees and directors

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

For the years ended December 31, 2023 and 2022, the Company accrued its remuneration to employees amounting to $470,000 and $475,000, respectively, and the remuneration for directors of $18,443 and $18,800, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors.

Except that the remuneration to directors for 2023 resolved by the Company's Board of Directors on March 14, 2024 was $4,000 and that for 2022 resolved by the Company's Board of Directors on March 16, 2023 was $7,000, the aforementioned accrued remunerations to employees were the same as the amounts resolved by the Board of Directors, which were all paid in cash. The difference between accrual and actual payment, amounting to $14,443 and $11,800 for 2023 and 2022, respectively, is treated as change in accounting estimate and recognized in profit or loss in the following year.

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

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(x) Other operating income and expenses – net

	2023	2022
Government grants	$ 166	-
Rental income	130,349	132,051
	$ 130,515	**132,051**

(y) Non-operating income and loss

(i) Interest income

	2023	2022
Interest income from bank deposits	$ 687,159	48,388
Other interest income	134,953	26,233
	$ 822,112	**74,621**

(ii) Other income

	2023	2022
Dividend income	**$ 400,382**	**519,988**

(iii) Other gains and losses

	2023	2022
Gain on disposal of equipment and intangible assets	$ 418	670
Gain on disposal of investments	3,967	-
Foreign currency exchange gain (loss), net	693,060	(3,091,050)
Gain on financial assets and liabilities measured at fair value through profit	833,533	2,992,204
Loss on liquidation of subsidiaries	-	(2,301)
Gain on bargain purchase in business combination	2,216	-
Others (note 7(b)-(v))	41,156	41,030
	$ 1,574,350	**(59,447)**

(iv) Finance costs

	2023	2022
Interest expense from bank loans and bonds payable	$ 87,794	110,310
Interest expense on lease liabilities	1,580	1,469
Others	2,712	1,754
	$ 92,086	**113,533**

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(z) 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	$	59,412	125,665
Financial assets measured at fair value through other comprehensive income		10,112,654	6,465,744
Financial assets measured at amortized cost:			
Cash and cash equivalents		18,363,188	16,424,913
Notes and accounts receivable and other receivables (including receivables from related parties)		18,684,908	17,515,548
Financial assets measured at amortized cost – current and non-current		4,672,781	797,782
Other financial assets – current and non-current		1,392,682	158,966
	$	**53,285,625**	**41,488,618**

2) Financial liabilities

		December 31, 2023	December 31, 2022
Financial liabilities measured at fair value through profit or loss	$	490,931	714,504
Financial liabilities measured at amortized cost:			
Accounts payable (including payables to related parties)		32,157,494	21,857,688
Other payables (including payables to related parties)		21,732,992	27,572,382
Long-term payables (including payables to related parties)		13,353	13,134
Lease liabilities – current and non-current		82,321	121,132
Long-term debt		1,500,000	-
Bonds payable		10,000,000	10,000,000
	$	**65,977,091**	**60,278,840**

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(ii) Fair value information

1) Financial instruments not measured at fair value

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

2) Financial instruments measured at fair value

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

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

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

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

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

	December 31, 2023			
	Fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	58,595	-	58,595
Stock listed on foreign markets	817	-	-	817
	$ 817	**58,595**	**-**	**59,412**
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 9,568,286	-	-	9,568,286
Unlisted stock	-	-	544,368	544,368
	$ 9,568,286	**-**	**544,368**	**10,112,654**
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	**$ -**	**(490,931)**	**-**	**(490,931)**
Financial instruments measured at amortized cost:				
Corporate bonds carrying fixed interest rates	**$ 4,058,105**	**607,271**	**-**	**4,665,376**

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	December 31, 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	123,004	-	123,004
Stock listed on foreign markets	2,661	-	-	2,661
	$ 2,661	123,004	-	125,665
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 6,143,288	-	-	6,143,288
Unlisted stock	-	-	322,456	322,456
	$ 6,143,288	-	322,456	6,465,744
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	(714,504)	-	(714,504)
Financial assets measured at amortized cost:				
Corporate bonds carrying fixed interest rates	$ 177,410	591,950	-	769,360

There were no transfers among fair value hierarchies for the years ended December 31, 2023 and 2022.

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

	Financial assets measured at fair value through other comprehensive income	
	2023	2022
Balance at January 1	$ 322,456	157,421
Additions	330,000	165,035
Recognized in other comprehensive loss	(108,088)	-
Balance at December 31	$ 544,368	322,456

The abovementioned total gains or losses were included in "unrealized gain (loss) from financial assets measured at fair value through other comprehensive income". The gains or losses attributable to the financial assets held on December 31, 2023 and 2022 were as follows:

	2023	2022
Total gains or losses:		
Recognized in other comprehensive income (included in "unrealized gain (loss) from financial assets measured at fair value through other comprehensive income")	$ (108,088)	-

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

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

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

c) The fair value of unlisted stocks in Level 3 fair value hierarchy is estimated by using the market approach and is determined by reference to recent financing activities, valuations of similar companies, market conditions, and other economic indicators. The significant unobservable input is the liquidity discount. No quantitative information is disclosed due to the possible changes in liquidity discount would not cause significant potential financial impact.

(iii) Offsetting of financial assets and liabilities

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

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

	December 31, 2023					
	Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements					
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Notes and accounts receivable, net	$ 28,530,749	24,493,731	4,037,018	-	-	4,037,018

	December 31, 2023					
	Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements					
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Accounts payable	$ 55,449,899	24,493,731	30,956,168	-	-	30,956,168

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	December 31, 2022					
	Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements					
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 23,100,619	19,530,644	3,569,975	-	-	3,569,975

	December 31, 2022					
	Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements					
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Accounts payable	$ 40,630,046	19,530,644	21,099,402	-	-	21,099,402

(aa) Financial risk management

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

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

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

(i) Credit risk

1) The maximum exposure to credit risk

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

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The maximum exposure to credit risk of financial loss due to the financial guarantees provided by the Company mainly arose from the following items:

- the carrying amounts of financial assets recognized in the balance sheets and
- the financial guarantees provided to subsidiaries amounting to $4,818,824 and $4,392,591, for the years ended December 31, 2023 and 2022.

2) Concentration of credit risk

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

3) Credit risk from receivables

Please refer to note 6(c) for credit risk exposure of notes and accounts receivable. Other financial assets measured at amortized cost include bonds carrying fixed interest rates, other receivables (refer to note 6(d)) and time deposits (classified as other financial assets). Abovementioned financial assets are considered low-credit-risk financial assets, and thus, the loss allowance is measured using 12 months ECL. Please refer to note 4(f) for descriptions about how the Company determines the credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2023 and 2022, the Company had unused credit facilities of $36,361,028 and $35,045,988, respectively.

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

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023					
Non-derivative financial liabilities:					
Bonds payable	$ 10,191,500	69,000	2,569,000	7,553,500	-
Long-term debt carrying fixed interest rates	1,755,000	25,500	25,500	76,500	1,627,500
Accounts payable (including related parties)	32,157,494	32,157,494	-	-	-
Other payables (including related parties)	21,732,992	19,139,553	2,593,439	-	-
Lease liability	83,463	55,682	18,617	9,164	-
	$ 65,920,449	**51,447,229**	**5,206,556**	**7,639,164**	**1,627,500**

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	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross					
Outflow	$ 36,697,141	36,697,141	-	-	-
Inflow	(36,376,327)	(36,376,327)	-	-	-
	$ 320,814	**320,814**	**-**	**-**	**-**
December 31, 2022					
Non-derivative financial liabilities:					
Bonds payable	$ 10,260,500	69,000	69,000	10,122,500	-
Accounts payable (including related parties)	21,857,688	21,857,688	-	-	-
Other payables (including related parties)	27,585,516	24,918,741	2,666,775	-	-
Lease liability	122,738	64,177	40,653	17,908	-
	$ 59,826,442	**46,909,606**	**2,776,428**	**10,140,408**	**-**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross					
Outflow	$ 42,059,383	42,059,383	-	-	-
Inflow	(41,583,557)	(41,583,557)	-	-	-
	$ 475,826	**475,826**	**-**	**-**	**-**

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

(iii) Market risk

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

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

1) Foreign currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. The foreign currencies used in these transactions are mainly the Europe Currency (EUR) and the US dollar (USD), Indian Rupee (INR), etc. The Company utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its forecast sales and purchases over the following 12 months.

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Exposure to foreign currency risk and sensitivity analysis:

The Company's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable/payable (including related parties), and other receivables/ payables (including related parties) that are denominated in foreign currencies. At the reporting date, the carrying amounts of the Company's significant monetary assets and liabilities denominated in a currency other than the functional currency of the Company and their sensitivity analysis were as follows:

(in thousands)

	December 31, 2023				
	Foreign currency	**Exchange rate**	**NTD**	**Change in magnitude**	**Pre-tax effect on profit or loss**
Financial assets					
Monetary items					
USD	$ 955,462	30.7350	29,366,125	1 %	293,661
INR	11,704,601	0.3694	4,323,680	1 %	43,237
Financial liabilities					
Monetary items					
USD	1,609,268	30.7350	49,460,852	1 %	494,609

(in thousands)

	December 31, 2022				
	Foreign currency	**Exchange rate**	**NTD**	**Change in magnitude**	**Pre-tax effect on profit or loss**
Financial assets					
Monetary items					
USD	$ 793,920	30.7080	24,379,695	1 %	243,797
INR	9,337,477	0.3712	3,466,071	1 %	34,661
Financial liabilities					
Monetary items					
USD	1,355,712	30.7080	41,631,204	1 %	416,312
EUR	79,900	32.8729	2,626,545	1 %	26,265

With varieties of foreign currencies, the Company disclosed foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(y) for further information.

2) Interest rate risk

The Company's loan from related parties carried fixed interest rate and therefore, the Company was not exposed to the risk arising from fluctuation of interest rates.

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3) Other market price risk

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

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2023 and 2022, would have increased or decreased by $505,633 and $323,287, respectively.

(ab) Capital management

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

(ac) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(j) for a description of acquisition of right-of-use assets through leases in 2023 and 2022.

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

	January 1, 2023	Cash flows	Non-cash changes of leasing	December 31, 2023
Long-term debt	$ -	1,500,000	-	1,500,000
Lease liabilities	121,132	(80,780)	41,969	82,321
Loans from related parties	90,000	160,000	-	250,000
Bonds payable	10,000,000	-	-	10,000,000
Total liabilities from financing activities	**$ 10,211,132**	**1,579,220**	**41,969**	**11,832,321**

	January 1, 2022	Cash flows	Non-cash changes of leasing	December 31, 2022
Lease liabilities	$ 77,242	(83,477)	127,367	121,132
Loans from related parties	315,000	(225,000)	-	90,000
Bonds payable	10,000,000	-	-	10,000,000
Total liabilities from financing activities	**$ 10,392,242**	**(308,477)**	**127,367**	**10,211,132**

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7. Related-party transactions

(a) Related party name and categories

The followings are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

Name of related party	Relationship with the Company
Acer Market Services Limited (AMS)	Subsidiaries
Acer Computer (Far East) Limited (AFE)	Subsidiaries
Acer Information (Zhong Shan) Co., Ltd. (AIZS)	Subsidiaries
Acer Computer (Shanghai) Ltd. (ACCN)	Subsidiaries
Acer (Chongqing) Ltd. (ACCQ)	Subsidiaries
Acer European Holdings SA (AEH)	Subsidiaries
Acer Europe B.V. (AHN)	Subsidiaries
Acer Africa (Proprietary) Limited (AAF)	Subsidiaries
AGP Insurance (Guernsey) Limited (AGU)	Subsidiaries
Acer Sales International SA (ASIN)	Subsidiaries
Acer Europe SA (AEG)	Subsidiaries
Sertec 360 SA (SER)	Subsidiaries
Acer Bilisim Teknolojileri Limited Sirketi (ATR)	Subsidiaries
Acer Computer France S.A.S.U. (ACF)	Subsidiaries
Enfinitec France (ENFR)	Subsidiaries
Acer U.K. Limited (AUK)	Subsidiaries
Acer Italy S.R.L. (AIT)	Subsidiaries
Acer Computer GmbH (ACG)	Subsidiaries
Acer Austria GmbH (ACV)	Subsidiaries
Acer Czech Republic s.r.o. (ACZ)	Subsidiaries
Acer Computer Iberica, S.A. (AIB)	Subsidiaries
Enfinitec Switzerland AG (ENCH, formerly ASZ)	Subsidiaries
Asplex Sp. z o.o. (APX)	Subsidiaries
Acer Marketing Services LLC (ARU)	Subsidiaries
Acer Poland sp. z o.o. (APL)	Subsidiaries
Acer Computer B.V. (ACH)	Subsidiaries
CPYou B.V. (CPY)	Subsidiaries
Enfinitec B.V. (ENNL)	Subsidiaries
Enfinitec Germany GmbH (ENDE)	Subsidiaries
Enfinitec Italy S.R.L. (ENIT)	Subsidiaries
Enfinitec Poland Sp. z o.o. (ENPL)	Subsidiaries
Enfinitec Czech Republic s.r.o (ENCZ)	Subsidiaries
Acer Computer Norway AS (ACN)	Subsidiaries
Acer Finland Oy (AFN)	Subsidiaries

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Name of related party	Relationship with the Company
Acer Sweden AB (ACW)	Subsidiaries
Acer Denmark A/S (ACD)	Subsidiaries
Boardwalk Capital Holdings Limited (Boardwalk)	Subsidiaries
Acer Computec Mexico, S.A. de C.V. (AMEX)	Subsidiaries
Acer American Holdings Corp. (AAH)	Subsidiaries
AGP Tecnologia em Informatica do Brasil Ltda. (ATB)	Subsidiaries
Acer Cloud Technology Inc. (ACTI)	Subsidiaries
Acer Cloud Technology (US), Inc. (ACTUS)	Subsidiaries
Gateway, Inc. (GWI)	Subsidiaries
Acer America Corporation (AAC)	Subsidiaries
Acer Service Corporation (ASC)	Subsidiaries
Acer Holdings International, Incorporated (AHI)	Subsidiaries
Acer Computer Co., Ltd. (ATH)	Subsidiaries
Acer Japan Corp. (AJC)	Subsidiaries
Acer Computer Australia Pty. Limited (ACA)	Subsidiaries
Acer Sales And Services Sdn Bhd (ASSB)	Subsidiaries
Acer Asia Pacific Sdn Bhd (AAPH)	Subsidiaries
Acer Computer (Singapore) Pte. Ltd. (ACS)	Subsidiaries
Acer Computer New Zealand Limited (ACNZ)	Subsidiaries
PT. Acer Indonesia (AIN)	Subsidiaries
PT. Acer Manufacturing Indonesia (AMI)	Subsidiaries
Acer India Private Limited (AIL)	Subsidiaries
Acer Vietnam Co., Ltd. (AVN)	Subsidiaries
Acer Philippines, Inc. (APHI)	Subsidiaries
Servex (Malaysia) Sdn Bhd (SMA)	Subsidiaries
Weblink International Inc. (WLII)	Subsidiaries
Wellife Inc. (WELL)	Subsidiaries
Pecer Bio-medical Technology Incorporated (PBT)	Subsidiaries
Protrade Applied Materials Corp. (PAM)	Subsidiaries
Protrade Asia Limited (PAL)	Subsidiaries
Dakota Co., Ltd. (DCL)	Subsidiaries
Protrade Shanghai Trading Co., Ltd. (PST)	Subsidiaries
Protrade Resources Vietnam Company Limited (PRV)	Subsidiaries
Cascadia Resources Inc. (CRI)	Subsidiaries
Acer Synergy Tech Corp. (AST)	Subsidiaries
Shanghai AST Technology Service Ltd. (ASTS)	Subsidiaries
Acer Synergy Manpower Corp. (ASM)	Subsidiaries
Acer Synergy Tech America Corporation (ASTA)	Subsidiaries
Shine Passion Engineering Co., Ltd (SPE)	Subsidiaries (note 2)

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Acer Synergy Manpower America Corporation (ASMA)	Subsidiaries
Acer Digital Service Co. (ADSC)	Subsidiaries
Acer Energy Pack Inc. (ENP, formerly KTI)	Subsidiaries
Acer Gaming Inc. (AGM)	Subsidiaries
Acer Global Merchandise Philippines Inc. (AGMPH)	Subsidiaries
Winking Studios Limited (WKS)	Subsidiaries (note 1)
Winking Art Pte. Ltd (WKSG)	Subsidiaries (note 1)
Winking Entertainment Corporation (WKTW)	Subsidiaries (note 1)
Winking Skywalker Entertainment Limited (WKSK)	Subsidiaries (note 1)
Winking Entertainment (HK) Ltd	Subsidiaries (note 1)
Shanghai Winking Entertainment Limited (WKSH)	Subsidiaries (note 1)
Shanghai Wishing Entertainment Limited (SHW)	Subsidiaries (note 1)
Nanjing Winking Entertainment Ltd (WKNJ)	Subsidiaries (note 1)
Winking Entertainment Investment Limited	Subsidiaries (note 1)
Winking Art Limited (WKHK)	Subsidiaries (note 1)
Acer SoftCapital Incorporated (CCI)	Subsidiaries
DropZone Holding Limited (DZH)	Subsidiaries
DropZone (Hong Kong) Limited (DZL)	Subsidiaries
Acer SoftCapital Incorporated (ASCBVI)	Subsidiaries
Acer Gadget Inc. (AGT)	Subsidiaries
GadgeTek (Shanghai) Limited (GCN)	Subsidiaries
Acer BeingWare Holding Inc. (ABH)	Subsidiaries
Acer Cloud Technology (Taiwan) Inc. (ACTTW)	Subsidiaries
Altos Computing Inc. (ALT)	Subsidiaries
Beijing Altos Computing Ltd. (BJAC)	Subsidiaries
Altos Computing (India) Private Limited (ALIN)	Subsidiaries
Altos Computing (Thailand) Co., Ltd. (ALTH)	Subsidiaries
Acer Mobile Power System Inc. (MPS)	Subsidiaries
Acer e-Enabling Service Business Inc. (AEB)	Subsidiaries
Acer e-Enabling Service Business (Shang-Hai) Ltd. (EBSH)	Subsidiaries
Acer ITS Inc. (ITS)	Subsidiaries
Acer Medical Inc. (AMED)	Subsidiaries
Acer Cloud Technology(Chongqing) Ltd. (ACTCQ)	Subsidiaries
Acer Being Communication Inc. (ABC)	Subsidiaries
Acer Being Signage Inc. (ABST)	Subsidiaries
Acer Being Signage GmbH (ABSG)	Subsidiaries
Xplova Inc. (XPL)	Subsidiaries
Xplova (Shanghai) Ltd. (XPLSH)	Subsidiaries

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Acer AI Cloud Inc. (AIC)	Subsidiaries
Acer Third Wave Software (Beijing) Co. Ltd (TWPBJ)	Subsidiaries
Acer Cyber Security Incorporated (ACSI)	Subsidiaries
Acer e-Enabling Data Center Incorporated (EDC)	Subsidiaries
ACSI Cyber Security Academy Inc. (ACAD)	Subsidiaries
Acer China Venture Corp (ACVC)	Subsidiaries
Sertec (Beijing) Ltd. (SEB)	Subsidiaries
StarVR Corporation (ASBZ)	Subsidiaries
AOPEN Inc. (AOI)	Subsidiaries
AOPEN America Inc.(AOA)	Subsidiaries
AOPEN Computer B.V.(AOE)	Subsidiaries
AOPEN Technology Inc.(AOTH)	Subsidiaries
AOPEN Japan Inc.(AOJ)	Subsidiaries
Aopen SmartVision Incorporated (AOSV)	Subsidiaries
AOPEN Global Solutons Pty Ltd.(AOGS)	Subsidiaries
Great Connection LTD.(GCL)	Subsidiaries
AOPEN International (ShangHai) Co., Ltd (AOC)	Subsidiaries
AOPEN Information Products (Zhongshan) Inc. (AOZ)	Subsidiaries
AOPEN Australia & New Zealand Pty Ltd (AOAU)	Subsidiaries
Bluechip Infotech Pty Ltd. (Bluechip)	Subsidiaries
Bluechip Infotech Incorporated (BLI)	Subsidiaries
Dingo Tech Pty Ltd. (DTP)	Subsidiaries
Mia Telecomms Pty Limited (MIA)	Subsidiaries
Digital Networks Australia Pty Ltd. (DNA)	Subsidiaries
Ingeniq Pty Ltd (IGP)	Subsidiaries
BLUECHIP GROUP (NZ) LIMITED (BLNZ)	Subsidiaries
BLUECHIP INFOTECH NEW ZEALAND LIMITED (BLINZ)	Subsidiaries
Highpoint Service Network Corporation (HSNC)	Subsidiaries
Highpoint Service Network (Thailand) Co., Ltd (HSNT)	Subsidiaries
Highpoint Service Network Vietnam Company Limited (HSNV)	Subsidiaries
PT HSN Tech Indonesia (HSNI)	Subsidiaries
HighPoint Service Network Sdn Bhd (HSN)	Subsidiaries
Highpoint Services Network Philippines, Inc. (HSNP)	Subsidiaries
AcerPure Inc. (API)	Subsidiaries
Acer Property Development Inc. (APDI)	Subsidiaries
Aspire Service & Development Inc. (ASDI)	Subsidiaries
Acer Asset Management Incorporated (AAM)	Subsidiaries
Acer Beverage Incorporated (ABI)	Subsidiaries

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
ACER TECHNOLOGY AND BUSINESS DEVELOPMENT PTE. LTD. (ATBD)	Subsidiaries
Smart Frequency Technology Inc. (SFT)	Joint venture (SFT has been included in the Company's subsidiaries from December 27, 2023.)
Haoru Electric Co., Ltd (HRC)	Joint venture
GrandPad Inc. (GrandPAD)	Associates
Piovision International Inc. (HPT)	Associates
ECOM Software Inc. (ECS)	Associates
Kbest Technology Inc. (KBest)	Associates
Erics Sports Marketing Inc. (Erics)	The entity's chairman is the first-degree relatives of one of the key management of the Company
Acer Foundation	Substantive related party
Satoro Taiwan Inc.	The entity's chairman is the Company's director
Mu-Jin Investments Co., Ltd	The entity's legal representative is the Company's chairman
AiSails Power Inc.	The entity's chairman is the Company's director (On December 14, 2022, the chairman of AiSails Power Inc. resigned, AiSails Power Inc. was no longer a related party of the Company since then)
Mu-Shi Investments Co., Ltd	The entity's legal representative is the Company's chairman
Porrima Inc.	The entity's chairman is the Company's director

(Note1) On December 31, 2022, AGM acquired control over WKS and its subsidiaries, as a result, WKS and its subsidiaries became related parties of the Company.

(Note2) In 2022, SPE was an associate of the Company. On January 1, 2023, AST acquired more than half of the voting rights of SPE through the written agreements among the shareholders of SPE, so that AST had the authority to control the daily operation of SPE. Therefore, AST had substantial ability to lead relevant activities of SPE, and thus incorporated it into the Company's subsidiaries.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(b) Significant related-party transactions

(i) Revenue

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

	2023	2022
Subsidiaries		
AEG	$ 49,209,858	62,204,606
AAC	44,017,585	39,345,499
Others	44,840,544	48,684,621
Associates	115,279	58,894
Joint venture	7	7
Other related parties	639	764
	$ 138,183,912	**150,294,391**

The sales prices and trade term with related parties depend on the economic environment and market competition, and are not comparable to those with third-party customers.

(ii) Purchases

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

	2023	2022
Associates	**$ 6,941,943**	**4,133,492**

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

(iii) Operating costs and expenses

The operating costs and expenses related to after-sale services for IT products, product development and design as well as business continuity plan services and the donation to related parties were as follows:

Accounts	Related-party categories	2023	2022
Cost of revenue	Subsidiaries	$ 601,685	461,334
Operating expense	Subsidiaries	44,092	208,974
Operating expense	Associates	1,745	1,745
Operating expense	Other related parties	10,000	13,835
		$ 657,522	**685,888**

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(iv) Lease

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

		2023	2022
Subsidiaries:			
ASDI	$	60,592	58,745
AEB		21,553	17,890
Others		15,357	18,422
Associates		-	212
Joint venture		-	211
Other related parties		81	127
	$	**97,583**	**95,607**

(v) Service income

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

		2023	2022
Subsidiaries	$	33,031	30,143
Associates		48	48
Joint venture		3,771	3,634
Other related parties		159	123
	$	**37,009**	**33,948**

(vi) Reorganization under common control

In view of continuously optimizing group resources integration and maximizing operational synergies, the Company sold 44,462 thousand shares of EDC's common stock to ACSI for a consideration of $475,747 in January 2022. In addition, in order to optimize the subsidiaries' investment structure, the Company acquired 30,969 thousand shares of Acer Sales and Services SDN BHD's common stock and 3,985 thousand shares of Acer Computer (Singapore) Pte. Ltd.'s common stock from Acer Holdings International, Incorporated for considerations of $1,193,559 and $171,997, respectively, in December 2022. The aforementioned transactions are classified as reorganization under common control, and therefore, the difference between the considerations and carrying amounts of subsidiaries disposed was recognized in capital surplus.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(vii) Loans to related parties

The actual drawdown amounts were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries:		
AFE	$ 365,916	373,931
ITS	543,000	410,000
EDC	150,000	-
MPS	-	76,000
ALT	80,000	132,000
	$ 1,138,916	**991,931**
Interest rate	**1.67%-4.73%**	**0.98%-2.75%**

Interest income related to loans to subsidiaries in 2023 and 2022 was $23,501 and $9,996, respectively.

(viii) Borrowings from related parties

The borrowings from related parties were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries:		
ADSC	$ 150,000	90,000
ABH	100,000	-
	$ 250,000	**90,000**
Interest rate	**1.62%**	**0.93%**

Interest expenses related to borrowings from subsidiaries in 2023 and 2022 were $2,708 and $1,744, respectively.

(ix) Payables related to defined benefit liabilities due to personnel transfer to subsidiaries

The net defined benefit liabilities have been transferred while certain employees transferred from the Company to ALT, HSNC, AEB, EDC, AGT and other subsidiaries. Related payables were included in “other payables to related parties” and “long-term payable to related parties”.

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(x) Receivables from related parties

Accounts	Related-party categories	December 31, 2023	December 31, 2022
Notes and accounts receivable from related parties	Subsidiaries:		
	AAC	$ 73,007	2,008,759
	ACA	1,308,208	1,251,180
	AIL	4,333,513	3,491,157
	Others	7,194,931	5,954,774
Notes and accounts receivable from related parties	Associates	108,740	37,557
Note and accounts receivable from related parties	Other related parties	19	33
	Subtotal	13,018,418	12,743,460
Other receivables from related parties	Subsidiaries	79,012	56,772
Other receivables from related parties (financing)	Subsidiaries	1,138,916	991,931
Other receivables from related parties	Associates	6	-
Other receivables from related parties	Joint venture	-	667
Other receivables from related parties	Other related parties	18	129
	Subtotal	1,217,952	1,049,499
		$ 14,236,370	**13,792,959**

(xi) Payables to related parties

Accounts	Related party categories	December 31, 2023	December 31, 2022
Accounts payable to related parties	Subsidiaries	$ 1,201,326	758,286
Other payables to related parties	Subsidiaries	218,815	2,790,984
Other payables to related parties	Other related parties	-	15,000
Other payables to related parties (financing)	Subsidiaries	250,000	90,000
	Subtotal	468,815	2,895,984
Long-term payable to related parties	Subsidiaries	13,353	13,134
		$ 1,683,494	**3,667,404**

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

(xii) Guarantees and endorsements provided to related parties

As of December 31, 2023 and 2022, the balances of guarantees and endorsements provided to subsidiaries were $23,661,830 and $22,564,546, respectively, and the amounts actually drawn were $4,818,824 and $4,392,591, respectively.

(c) Compensation for key management personnel

	2023	2022
Short-term employee benefits	$ 165,938	185,428
Post-employment benefits	3,390	3,716
	$ 169,328	**189,144**

8. Pledged assets

The carrying values of pledged assets (reported under other financial assets－non-current) were as follows:

Assets	Pledged to secure	December 31, 2023	December 31, 2022
Cash in bank and time deposits	Contract bidding, refundable deposits, and project fulfillment guarantee	**$ 152,782**	**148,466**

9. Significant commitments and contingencies

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

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

(c) As of December 31, 2023 and 2022, the Company had issued promissory notes amounting to $35,758,490 and $36,590,060, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

11. Significant subsequent events: None

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

12. Others

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

	2023			2022		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	-	2,289,358	2,289,358	-	2,840,106	2,840,106
Insurance	-	175,450	175,450	-	179,606	179,606
Pension	-	112,909	112,909	-	104,083	104,083
Remuneration of directors	-	31,443	31,443	-	31,800	31,800
Others	-	158,366	158,366	-	172,870	172,870
Depreciation	-	150,584	150,584	-	144,017	144,017
Amortization	16,117	28,606	44,723	1,174	22,097	23,271

	2023	2022
Employees	1,599	1,621
Directors not in concurrent employment	4	4
Average employee benefits	$ 1,715	2,039
Average employee salaries	$ 1,435	1,756
Adjustment of average employee salaries	(18.28)%	

The Company's compensation policy, including directors, managers, and employees, is as follows:

The compensation of directors and managers is evaluated and reviewed by Compensation Committee periodically. The compensation of employees is determined by participating in salary surveys every year and reviewing salary level regularly to provide competitive compensation to employees.

13. Additional disclosures

(a) Information on significant transactions:

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

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

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

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

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

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

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

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

(b) Information on investees: See Table 7 attached;

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investees, share of profits (losses) of investees, ending balance, amount received as earnings distributions from the investment, and limitation on investment: See Table 8 attached;

(ii) Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: For the Company' s significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2023, please refer to "Information on significant transactions" above.

(d) Major shareholders:

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

14. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2023.

Acer Incorporated
Financing provided to other parties
For the year ended December 31, 2023

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 4)	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	The Company	ADSC	Other receivables from related parties	Yes	2,000	1,000	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	MPS	Other receivables from related parties	Yes	245,000	95,000	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	EDC	Other receivables from related parties	Yes	790,000	390,000	150,000	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ALT	Other receivables from related parties	Yes	590,000	290,000	80,000	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ITS	Other receivables from related parties	Yes	1,200,000	600,000	543,000	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	AFE	Other receivables from related parties	Yes	768,233	365,916	365,916	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	ABH	Other receivables from related parties	Yes	2,000	1,000	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
0	The Company	PAM	Other receivables from related parties	Yes	826,170	826,170	-	1%~8%	2	-	Operating requirements	-	None	-	7,472,652	37,363,262
1	ABH	ABST	Other receivables from related parties	Yes	203,000	102,000	100,000	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	ABSG	Other receivables from related parties	Yes	139,412	67,857	67,857	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	ABC	Other receivables from related parties	Yes	79,000	45,000	43,000	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	AIC	Other receivables from related parties	Yes	40,000	-	-	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	APDI	Other receivables from related parties	Yes	155,000	-	-	1%~8%	2	-	Operating requirements	-	None	-	195,900	783,599
1	ABH	The Company	Other receivables from related parties	Yes	250,000	150,000	100,000	1%~8%	2	-	Operating requirements	-	None	-	783,599	783,599
2	ADSC	The Company	Other receivables from related parties	Yes	240,000	150,000	150,000	1%~8%	2	-	Operating requirements	-	None	-	830,743	830,743
2	ADSC	Bluechip	Other receivables from related parties	Yes	103,358	41,873	41,873	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ENP	Other receivables from related parties	Yes	17,000	9,000	4,000	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ABI	Other receivables from related parties	Yes	7,000	7,000	-	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	BLI	Other receivables from related parties	Yes	15,250	15,250	10,400	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
2	ADSC	ATBD	Other receivables from related parties	Yes	33,136	32,590	32,590	1%~8%	2	-	Operating requirements	-	None	-	207,686	830,743
3	AIZS	ACCQ	Other receivables from related parties	Yes	215,890	-	-	1%~8%	2	-	Operating requirements	-	None	-	211,042	211,042
4	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
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
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	0.000%	2,803	-	-	
Boardwalk	Citi Goldman Sachs Financial Square Government Fund	-	Financial assets measured at fair value through profit or loss — current	-	73,764	0.000%	73,764	-	-	
ALT	Stock: QSAN Technology, Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	966	78,247	16.68%	78,247	966	16.68%	

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are preferred stock B. The percentage of ownership listed above is the percentage of ownership of preferred stock B.
Note 2: The stocks of CTFH、FBFH、UBOT are 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

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

For the year ended December 31, 2023

Table 4

(Amounts in Thousands of New Taiwan Dollars / Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisitions		Disposal				Ending Balance	
					Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/ Units (in thousands)	Amount (Note 1)
The Company	Stock: Wistron	Financial assets measured at fair value through other comprehensive income — non-current	Exchange Market	None	54,816	1,611,590	-	-	35,707	4,285,821	1,073,795	3,212,026	19,109	1,884,147
The Company	Stock: Welldone	Financial assets measured at fair value through other comprehensive income — non-current	Welldone Corporation	None	-	-	10,000	400,500	-	-	-	-	10,000	542,000
The Company	Stock: C-LiFe Technologies, Inc.	Financial assets measured at fair value through other comprehensive income — non-current	C-LiFe Technologies, Inc.	None	-	-	11,000	330,000	-	-	-	-	11,000	330,000
The Company	HRC	Investments accounted for using equity method	Haoru Electric Co., Ltd	Joint Venture	-	-	30,000	300,000	-	-	-	-	30,000	300,081
The Company	AOI	Investments accounted for using equity method	AOI and its subsidiaries	Parent/Subsidiary	28,970	347,183	5,294	360,013	-	-	-	-	34,264	619,886
The Company	P12 Cathay Life Insurance 1A	Financial assets measured at amortized cost－non-current	Cathay Life Insurance Co., Ltd.	None	-	-	-	1,500,000	-	-	-	-	-	1,500,000
ACCN	Fubon Bank (China) CNY SDRMBC	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	619,400	2,710,304	619,400	2,726,687	2,710,304	16,383	-	-
ACCN	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	290,000	1,262,852	290,000	1,271,031	1,262,852	8,179	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	2,311,300	10,142,911	2,311,300	10,184,939	10,142,911	42,028	-	-
ACCQ	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	675,000	2,941,260	675,000	2,951,454	2,941,260	10,194	-	-
AIZS	China Merchants Bank Dianjin Series	Financial assets measured at fair value through profit or loss — current	China Merchants Bank Co., Ltd.	None	-	-	189,000	825,942	189,000	830,902	825,942	4,960	-	-
AHN	EUR Term Liquidity Fund	Financial assets measured at fair value through profit or loss — current	Citibank Taiwan Limited	None	-	771,292	-	-	-	775,088	771,292	3,796	-	-

Note 1: Ending balance includes evaluation gains and losses, investment gains and losses, translation adjustments and other amounts.

Acer Incorporated
Total purchases from and sales to related parties which exceed NT$100 million or 20% of the paid-in capital
For the year ended December 31, 2023

Table 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AAC	Parent/Subsidiary	(Sales)	(44,017,585)	(29.15)%	OA90	-	-	73,007	0.43%	
The Company	ACA	Parent/Subsidiary	(Sales)	(4,956,844)	(3.28)%	OA60	-	-	1,308,208	7.67%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(8,903,705)	(5.90)%	OA60	-	-	121,199	0.71%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(254,869)	(0.17)%	OA60	-	-	-	-	
The Company	ACS	Parent/Subsidiary	(Sales)	(1,774,265)	(1.18)%	OA60	-	-	248,222	1.46%	
The Company	AEG	Parent/Subsidiary	(Sales)	(49,209,858)	(32.59)%	OA60	-	-	1,146,056	6.72%	
The Company	AFE	Parent/Subsidiary	(Sales)	(2,091,740)	(1.39)%	OA60	-	-	778,302	4.56%	
The Company	AIL	Parent/Subsidiary	(Sales)	(8,267,854)	(5.48)%	OA150	-	-	4,333,513	25.41%	
The Company	AIN	Parent/Subsidiary	(Sales)	(4,122,475)	(2.73)%	OA90	-	-	1,157,544	6.79%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,309,732)	(0.87)%	OA60	-	-	963,214	5.65%	
The Company	AMI	Parent/Subsidiary	(Sales)	(3,348,687)	(2.22)%	OA90	-	-	782,343	4.59%	
The Company	APHI	Parent/Subsidiary	(Sales)	(1,308,197)	(0.87)%	OA60	-	-	389,181	2.28%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(2,451,512)	(1.62)%	OA60	-	-	423,646	2.48%	
The Company	ATH	Parent/Subsidiary	(Sales)	(3,466,520)	(2.30)%	OA60	-	-	636,962	3.73%	
The Company	AVN	Parent/Subsidiary	(Sales)	(249,413)	(0.17)%	OA60	-	-	69,994	0.41%	
The Company	GPI	Associate	(Sales)	(115,278)	(0.08)%	EM120	-	-	108,740	0.64%	
The Company	ALT	Parent/Subsidiary	(Sales)	(136,695)	(0.09)%	OA60	-	-	24,485	0.14%	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,877,723)	(1.24)%	EM45	-	-	289,987	1.70%	
The Company	APHI	Parent/Subsidiary	Purchases	255,386	0.18%	OA60	-	-	(90,722)	(0.28)%	
The Company	API	Parent/Subsidiary	Purchases	126,242	0.09%	OA60	-	-	(26,052)	(0.08)%	
The Company	AVN	Parent/Subsidiary	Purchases	158,530	0.11%	OA60	-	-	(43,166)	(0.13)%	
The Company	ALT	Parent/Subsidiary	Purchases	563,130	0.39%	OA60	-	-	(126,138)	(0.39)%	
The Company	EDC	Parent/Subsidiary	Purchases	108,921	0.08%	EM60	-	-	(41,790)	(0.13)%	
The Company	AEB	Parent/Subsidiary	Purchases	143,197	0.10%	EM30	-	-	(33,355)	(0.10)%	
The Company	AOI	Parent/Subsidiary	Purchases	4,911,590	3.39%	EM60	-	-	(773,965)	(2.41)%	
The Company	AGT	Parent/Subsidiary	Purchases	970,455	0.67%	OA60	-	-	(206,865)	(0.64)%	
The Company	WLII	Parent/Subsidiary	Purchases	162,297	0.11%	EM60	-	-	(31,985)	(0.10)%	
WELL	WLII	Parent/Subsidiary	Purchases	664,288	97.57%	EM45	-	-	(67,056)	(98.08)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(563,130)	(62.98)%	OA60	-	-	126,138	63.15%	
ALT	The Company	Parent/Subsidiary	Purchases	136,695	16.72%	OA60	-	-	(24,485)	(13.09)%	
EDC	The Company	Parent/Subsidiary	(Sales)	(108,921)	(5.90)%	EM60	-	-	41,790	14.54%	
AEB	The Company	Parent/Subsidiary	(Sales)	(143,197)	(1.90)%	EM30	-	-	33,355	1.52%	
AEB	WLII	Fellow subsidiary	Purchases	315,354	5.08%	EM60	-	-	(82,250)	(6.93)%	
AGM	AFE	Fellow subsidiary	(Sales)	(180,151)	(4.81)%	OA10	-	-	24,024	4.35%	
AGM	AGMPH	Parent/Subsidiary	(Sales)	(952,144)	(25.41)%	OA60	-	-	259,164	46.93%	
WKSH	WKNJ	Parent/Subsidiary	(Sales)	(338,054)	(69.79)%	OA45	-	-	91,202	62.36%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
WKSH	WKNJ	Parent/Subsidiary	Purchases	131,723	35.86%	EM45	-	-	(53,408)	(100.00)%	
WKNJ	WKSH	Parent/Subsidiary	(Sales)	(131,723)	(21.44)%	EM45	-	-	53,408	58.80%	
WKNJ	WKSH	Parent/Subsidiary	Purchases	338,054	56.63%	OA45	-	-	(91,202)	(60.96)%	
AOI	AOE	Parent/Subsidiary	(Sales)	(235,719)	(4.45)%	OA60	-	-	131,896	11.11%	
AOI	The Company	Parent/Subsidiary	(Sales)	(4,911,590)	(92.71)%	EM60	-	-	773,965	65.16%	
AGT	The Company	Parent/Subsidiary	(Sales)	(970,455)	(58.72)%	OA60	-	-	206,865	62.60%	
WLII	The Company	Parent/Subsidiary	(Sales)	(162,297)	(0.91)%	EM60	-	-	31,985	1.25%	
WLII	WELL	Parent/Subsidiary	(Sales)	(664,288)	(3.73)%	EM45	-	-	67,056	2.63%	
WLII	AEB	Fellow subsidiary	(Sales)	(315,354)	(1.77)%	EM60	-	-	82,250	3.23%	
WLII	The Company	Parent/Subsidiary	Purchases	1,877,723	10.96%	EM45	-	-	(289,987)	(11.37)%	
PAM	CRI	Fellow subsidiary	(Sales)	(552,795)	(22.86)%	EM60	-	-	26,075	11.20%	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,633,627)	(3.24)%	OA60	-	-	340,877	3.82%	
AAC	ASC	Fellow subsidiary	(Sales)	(245,826)	(0.49)%	OA60	-	-	3,083	0.03%	
AAC	ATB	Fellow subsidiary	(Sales)	(296,991)	(0.59)%	OA60	-	-	73,761	0.83%	
AAC	The Company	Parent/Subsidiary	Purchases	44,017,585	94.14%	OA90	-	-	(73,007)	(4.52)%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(113,606)	(1.89)%	EM30	-	-	34,539	2.41%	
ACA	The Company	Parent/Subsidiary	Purchases	4,956,844	82.66%	OA60	-	-	(1,308,208)	(94.64)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(318,323)	(64.51)%	OA60	-	-	99,873	84.14%	
ACCQ	ACCN	Fellow subsidiary	Purchases	318,323	2.71%	OA60	-	-	(99,873)	(5.92)%	
ACCQ	GCN	Fellow subsidiary	Purchases	276,408	2.35%	OA60	-	-	(107,784)	(6.39)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	8,903,705	75.74%	OA60	-	-	(121,199)	(7.18)%	
ACF	AEG	Fellow subsidiary	(Sales)	(378,603)	(6.49)%	OA60	-	-	793,275	28.06%	
ACF	AEG	Fellow subsidiary	Purchases	4,693,806	85.52%	OA60	-	-	(133,779)	(73.38)%	
ACF	APX	Fellow subsidiary	Purchases	185,325	3.38%	OA60	-	-	(11,805)	(6.47)%	
ACG	AEG	Fellow subsidiary	(Sales)	(508,657)	(3.48)%	OA60	-	-	1,828,209	27.05%	
ACG	AEG	Fellow subsidiary	Purchases	12,765,410	100.00%	OA60	-	-	(2,686,232)	(97.89)%	
ACG	APL	Fellow subsidiary	Purchases	118,126	1.16%	OA30	-	-	(13,028)	(0.47)%	
ACG	APX	Fellow subsidiary	Purchases	217,935	2.14%	OA45	-	-	(26,477)	(0.96)%	
ACH	AEG	Fellow subsidiary	Purchases	2,743,047	93.62%	OA60	-	-	(646,864)	(94.81)%	
ACH	APX	Fellow subsidiary	Purchases	112,328	3.83%	OA60	-	-	(14,820)	(2.17)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	254,869	61.76%	OA60	-	-	-	-	
ACS	The Company	Parent/Subsidiary	Purchases	1,774,265	83.76%	OA60	-	-	(248,222)	(91.97)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(167,387)	(34.85)%	OA60	-	-	31,466	49.78%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(128,865)	(26.83)%	OA30	-	-	-	-	
ACZ	APX	Fellow subsidiary	Purchases	160,866	37.70%	OA90	-	-	(21,136)	(76.45)%	
AEG	ACF	Fellow subsidiary	(Sales)	(4,693,806)	(8.53)%	OA60	-	-	133,779	1.03%	
AEG	ACG	Fellow subsidiary	(Sales)	(12,765,410)	(23.19)%	OA60	-	-	2,686,232	20.69%	
AEG	ACH	Fellow subsidiary	(Sales)	(2,743,047)	(4.98)%	OA60	-	-	646,864	4.98%	
AEG	AIB	Fellow subsidiary	(Sales)	(3,139,298)	(5.70)%	OA60	-	-	414,947	3.20%	
AEG	AIT	Fellow subsidiary	(Sales)	(4,029,912)	(7.32)%	OA60	-	-	1,505,382	11.60%	
AEG	ASIN	Fellow subsidiary	(Sales)	(13,934,588)	(25.32)%	OA60	-	-	-	-	
AEG	AUK	Fellow subsidiary	(Sales)	(5,196,691)	(9.44)%	OA60	-	-	1,411,458	10.87%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEG	CPY	Fellow subsidiary	(Sales)	(969,127)	(1.76)%	OA60	-	-	354,789	2.73%	
AEG	ENCH	Fellow subsidiary	(Sales)	(1,042,560)	(1.89)%	OA60	-	-	785	0.01%	
AEG	SER	Fellow subsidiary	(Sales)	(1,705,243)	(3.10)%	OA60	-	-	80,949	0.62%	
AEG	ACF	Fellow subsidiary	Purchases	378,603	0.69%	OA60	-	-	(793,275)	(11.20)%	
AEG	ACG	Fellow subsidiary	Purchases	508,657	0.92%	OA60	-	-	(1,828,209)	(25.81)%	
AEG	ACZ	Fellow subsidiary	Purchases	167,387	0.30%	OA60	-	-	(31,466)	(0.44)%	
AEG	AEH	Parent/Subsidiary	Purchases	222,552	0.40%	OA60	-	-	-	-	
AEG	AIB	Fellow subsidiary	Purchases	312,525	0.57%	OA60	-	-	(534,339)	(7.54)%	
AEG	AIT	Fellow subsidiary	Purchases	233,638	0.42%	OA60	-	-	(1,140,576)	(16.10)%	
AEG	APX	Fellow subsidiary	Purchases	619,568	1.13%	OA60	-	-	(11,744)	(0.17)%	
AEG	ENNL	Fellow subsidiary	Purchases	280,885	0.51%	OA30	-	-	(47,799)	(0.67)%	
AEG	The Company	Parent/Subsidiary	Purchases	49,209,858	89.41%	OA60	-	-	(1,146,056)	(16.18)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(222,552)	(74.22)%	OA60	-	-	-	-	
AFE	The Company	Parent/Subsidiary	Purchases	2,091,740	89.07%	OA60	-	-	(778,302)	(98.19)%	
AFE	AGM	Fellow subsidiary	Purchases	180,151	7.67%	OA10	-	-	(24,024)	(3.03)%	
AGMPH	AGM	Parent/Subsidiary	Purchases	952,144	90.52%	OA60	-	-	(259,164)	(99.80)%	
AIB	AEG	Fellow subsidiary	(Sales)	(312,525)	(8.34)%	OA60	-	-	534,339	28.23%	
AIB	AEG	Fellow subsidiary	Purchases	3,139,298	86.68%	OA60	-	-	(414,947)	(94.71)%	
AIB	APX	Fellow subsidiary	Purchases	135,667	3.75%	OA60	-	-	(14,632)	(3.34)%	
AIL	ALIN	Fellow subsidiary	(Sales)	(617,368)	(3.49)%	OA120	-	-	305,642	7.58%	
AIL	The Company	Parent/Subsidiary	Purchases	8,267,854	44.69%	OA150	-	-	(4,333,513)	(69.38)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(108,565)	(1.28)%	OA60	-	-	1,319	0.68%	
AIN	AMI	Fellow subsidiary	Purchases	3,822,308	45.86%	OA90	-	-	(34,312)	(3.28)%	
AIN	The Company	Parent/Subsidiary	Purchases	4,122,475	49.47%	OA90	-	-	(1,157,544)	(100.00)%	
AIT	AEG	Fellow subsidiary	(Sales)	(233,638)	(5.28)%	OA60	-	-	1,140,576	31.35%	
AIT	AEG	Fellow subsidiary	Purchases	4,029,912	94.35%	OA60	-	-	(1,505,382)	(99.40)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,309,732	97.02%	OA60	-	-	(963,214)	(89.47)%	
ALIN	AIL	Fellow subsidiary	Purchases	617,368	100.00%	OA120	-	-	(305,642)	(99.70)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,633,627	95.77%	OA60	-	-	(340,877)	(100.00)%	
AMI	AIN	Fellow subsidiary	(Sales)	(3,822,308)	(99.63)%	OA90	-	-	34,312	100.00%	
AMI	AIN	Parent/Subsidiary	Purchases	108,565	2.78%	OA60	-	-	(1,319)	(0.16)%	
AMI	The Company	Parent/Subsidiary	Purchases	3,348,687	85.86%	OA90	-	-	(782,343)	(94.48)%	
AOE	AOI	Parent/Subsidiary	Purchases	235,719	98.88%	OA60	-	-	(131,896)	(94.34)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(255,386)	(11.42)%	OA60	-	-	90,722	35.78%	
APHI	The Company	Parent/Subsidiary	Purchases	1,308,197	80.17%	OA60	-	-	(389,181)	(95.88)%	
API	The Company	Parent/Subsidiary	(Sales)	(126,242)	(47.45)%	OA60	-	-	26,052	62.94%	
APL	ACG	Fellow subsidiary	(Sales)	(118,126)	(100.00)%	OA30	-	-	13,028	86.66%	
APX	ACF	Fellow subsidiary	(Sales)	(185,325)	(10.48)%	OA60	-	-	11,805	6.47%	
APX	ACG	Fellow subsidiary	(Sales)	(217,935)	(12.33)%	OA45	-	-	26,477	14.50%	
APX	ACH	Fellow subsidiary	(Sales)	(112,328)	(6.35)%	OA60	-	-	14,820	8.12%	
APX	ACZ	Fellow subsidiary	(Sales)	(160,866)	(9.10)%	OA90	-	-	21,136	11.58%	
APX	AEG	Fellow subsidiary	(Sales)	(619,568)	(35.05)%	OA60	-	-	11,744	6.43%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
APX	AIB	Fellow subsidiary	(Sales)	(135,667)	(7.68)%	OA60	-	-	14,632	8.02%	
ARU	ASIN	Fellow subsidiary	(Sales)	(106,811)	(82.48)%	OA60	-	-	-	-	
ASC	AAC	Fellow subsidiary	Purchases	245,826	100.00%	OA60	-	-	(3,083)	(2.93)%	
ASIN	ACZ	Fellow subsidiary	Purchases	128,865	0.93%	OA30	-	-	-	-	
ASIN	AEG	Fellow subsidiary	Purchases	13,934,588	100.00%	OA60	-	-	-	-	
ASIN	ARU	Fellow subsidiary	Purchases	106,811	0.77%	OA60	-	-	-	-	
ASSB	SMA	Parent/Subsidiary	(Sales)	(487,341)	(16.67)%	OA60	-	-	2,549	1.56%	
ASSB	The Company	Parent/Subsidiary	Purchases	2,451,512	88.02%	OA60	-	-	(423,646)	(96.21)%	
ATB	AAC	Fellow subsidiary	Purchases	296,991	3.60%	OA60	-	-	(73,761)	(2.40)%	
ATH	The Company	Parent/Subsidiary	Purchases	3,466,520	84.58%	OA60	-	-	(636,962)	(95.75)%	
AUK	AEG	Fellow subsidiary	Purchases	5,196,691	93.80%	OA60	-	-	(1,411,458)	(98.71)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(158,530)	(40.82)%	OA60	-	-	43,166	50.57%	
AVN	The Company	Parent/Subsidiary	Purchases	249,413	99.89%	OA60	-	-	(69,994)	(1)	
Bluechip	ACA	Fellow subsidiary	Purchases	113,606	3.22%	EM30	-	-	(34,539)	(10.29)%	
CPY	AEG	Fellow subsidiary	Purchases	969,127	85.64%	OA60	-	-	(354,789)	(94.52)%	
CRI	PAM	Fellow subsidiary	Purchases	552,795	38.53%	EM60	-	-	(26,075)	(56.05)%	
ENCH	AEG	Fellow subsidiary	Purchases	1,042,560	85.01%	OA60	-	-	(785)	(10.08)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(280,885)	(53.14)%	OA30	-	-	47,799	16.25%	
ENNL	ENPL	Fellow subsidiary	Purchases	115,601	19.71%	OA60	-	-	(114,690)	(17.93)%	
ENPL	ENNL	Fellow subsidiary	(Sales)	(115,601)	(100.00)%	OA60	-	-	114,690	-	
GCN	ACCQ	Fellow subsidiary	(Sales)	(276,408)	(63.82)%	OA60	-	-	107,784	100.00%	
GPI	The Company	Associate	Purchases	115,278	46.37%	EM120	-	-	(108,740)	(37.77)%	
SER	AEG	Fellow subsidiary	Purchases	1,705,243	100.00%	OA60	-	-	(80,949)	(56.79)%	
SMA	ASSB	Parent/Subsidiary	Purchases	487,341	13.92%	OA60	-	-	(2,549)	(0.94)%	

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

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

Acer Incorporated
Receivables from related parties which exceed NT$100 million or 20% of the paid-in capital
December 31, 2023

Table 6

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	ACA	Parent/Subsidiary	1,308,208	3.87	486,984	Under Collection	728,358	-	
The Company	ACCQ	Parent/Subsidiary	133,942	36.28	-	-	133,942	-	
The Company	ACS	Parent/Subsidiary	248,222	9.98	-	-	196,334	-	
The Company	AEG	Parent/Subsidiary	1,146,056	56.13	-	-	1,060,220	-	
The Company	AFE	Parent/Subsidiary	1,144,218	4.86	-	-	611,862	-	
The Company	AIL	Parent/Subsidiary	4,333,513	2.11	610,980	Under Collection	281,094	-	
The Company	AIN	Parent/Subsidiary	1,164,025	3.83	18,780	Under Collection	688,453	-	
The Company	AJC	Parent/Subsidiary	963,309	1.35	450,707	Under Collection	147,984	-	
The Company	AMI	Parent/Subsidiary	782,343	5.01	167,766	Under Collection	259,719	-	
The Company	APHI	Parent/Subsidiary	389,181	2.84	64,007	Under Collection	247,234	-	
The Company	ASSB	Parent/Subsidiary	423,646	5.11	-	-	329,295	-	
The Company	ATH	Parent/Subsidiary	636,962	5.44	177,360	Under Collection	636,962	-	
The Company	GPI	Associate	108,740	1.58	108,740	Under Collection	2,818	-	
The Company	ALT	Parent/Subsidiary	106,547	7.59	2,839	Under Collection	23,606	-	
The Company	ITS	Parent/Subsidiary	543,897	5.34	383	Under Collection	897	-	
The Company	EDC	Parent/Subsidiary	159,836	3.85	-	-	9,095	-	
The Company	WLII	Parent/Subsidiary	290,409	6.80	-	-	283,570	-	
ACSI	EDC	Parent/Subsidiary	101,448	1.99	-	-	-	-	
ALT	The Company	Parent/Subsidiary	135,910	5.30	54,767	Under Collection	52,275	-	
ABH	The Company	Parent/Subsidiary	100,963	-	-	-	100,963	-	
ABH	ABST	Parent/Subsidiary	100,506	-	-	-	-	-	
AGM	AGMPH	Parent/Subsidiary	259,164	3.97	109,054	Under Collection	223,367	-	
AOI	AOA	Parent/Subsidiary	211,285	0.29	193,870	Under Collection	4,535	-	
AOI	AOE	Parent/Subsidiary	131,896	1.44	98,336	Under Collection	55,367	-	
AOI	The Company	Parent/Subsidiary	773,965	8.47	-	-	774,291	-	
AGT	The Company	Parent/Subsidiary	206,865	5.10	44,111	Under Collection	119,985	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
ADSC	The Company	Parent/Subsidiary	150,000	-	-	-	-	-	
AAC	AMEX	Fellow subsidiary	346,531	4.50	126,111	Under Collection	126,111	-	
AAC	ASC	Fellow subsidiary	402,541	5.08	82	Under Collection	51	-	
AAH	AAC	Parent/Subsidiary	4,815,423	-	-	-	-	-	
ACCQ	The Company	Parent/Subsidiary	537,986	-	-	-	-	-	
ACF	AEG	Fellow subsidiary	796,215	0.35	47,296	Under Collection	47,296	-	
ACG	AEG	Fellow subsidiary	1,828,209	0.26	-	-	2,243	-	
ACH	AEG	Fellow subsidiary	383,937	0.04	6,389	Under Collection	6,389	-	
AEG	ACF	Fellow subsidiary	133,779	5.08	-	-	-	-	
AEG	ACG	Fellow subsidiary	2,686,232	3.97	111,289	Under Collection	281,193	-	
AEG	ACH	Fellow subsidiary	646,864	3.46	281	Under Collection	281	-	
AEG	AIB	Fellow subsidiary	414,947	4.93	-	-	-	-	
AEG	AIT	Fellow subsidiary	1,505,382	5.30	-	-	-	-	
AEG	AUK	Fellow subsidiary	1,411,458	3.14	358,438	Under Collection	359,473	-	
AEG	CPY	Fellow subsidiary	354,789	2.94	134,039	Under Collection	52,454	-	
AHN	ENNL	Parent/Subsidiary	119,806	-	-	-	-	-	
AIB	AEG	Fellow subsidiary	535,667	0.51	-	-	-	-	
AIL	ALIN	Fellow subsidiary	305,642	3.07	-	-	-	-	
AIT	AEG	Fellow subsidiary	1,152,926	0.23	-	-	-	-	
APHI	The Company	Parent/Subsidiary	102,667	3.40	-	-	-	-	
ASC	AAC	Fellow subsidiary	173,847	10.05	-	-	-	-	
AUK	AEG	Fellow subsidiary	570,720	0.16	-	-	-	-	
ENPL	ENNL	Fellow subsidiary	114,690	2.02	-	-	-	-	
GCN	ACCQ	Fellow subsidiary	107,784	1.56	2,087	Under Collection	69,056	-	
GWI	CRI	Fellow subsidiary	368,820	-	-	-	-	-	

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

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

Acer Incorporated
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2023

Table 7

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2023			Maximum ownership during 2023		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
The Company	ADSC	Taiwan	Investment and holding activity	1,143,730	1,143,730	66,215	100.00	2,076,858	66,215	100.00	81,371	81,371	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	28,544,110	1,263,432	92.02	(146,287)	(134,606)	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	19,502,239	147	100.00	(366,713)	(366,713)	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	15,750,004	191,155	100.00	(479,802)	(479,802)	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	43,407	1,421	24.18	91,452	1,421	24.86	9,817	1,855	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	-	5,658,111	-	-	-	158,475	100.00	3,215	3,215	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	6,957,928	1,299,817	850.00	100.00	3,535,915	850	100.00	53,004	53,004	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,362,550	1,362,550	13,296	59.88	774,962	13,296	59.88	190,587	114,096	Parent/Subsidiary
The Company	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	36,979.00	70	100.00	36,944	70	100.00	(2,210)	Note 1	Parent/Subsidiary
PAM	DCL	Samoa	Investment and holding activity	135,924	135,924	650	100.00	98,341	650	100.00	(22,529)	Note 1	Parent/Subsidiary
PAM	CRI	U.S.A.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	99,078	99,078	2,000	100.00	161,594	2,000	100.00	31,218	Note 1	Parent/Subsidiary
PAM	PRV	Vietnam	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	14,940	2,880	1	100.00	12,668	1	100.00	(1,229)	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,480,930	109,639	7.98	(146,287)	Note 1	Fellow subsidiaries
ACTI	GPI	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.85	159,195	436	28.85	9,894	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(380)	100	100.00	2,274	Note 1	Parent/Subsidiary
Bluechip	DTP	Australia	Investment and holding activity	110,110	110,110	1	100.00	2	1	100.00	-	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	69,343	3,600	100.00	96,708	3,600	100.00	844	Note 1	Parent/Subsidiary
Bluechip	MIA	Australia	Sale of computer peripherals and software system	149,329	149,329	719	100.00	180,035	719	100.00	(8,648)	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	276,559	276,559	26,304	63.46	1,245,420	26,304	63.46	501,328	Note 1	Parent/Subsidiary
ABH	ACTTW	Taiwan	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	955,056	955,056	2,900	100.00	(64,782)	2,900	100.00	(21,246)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	179,111	179,111	9,750	94.20	79,341	9,750	94.20	2,496	Note 1	Parent/Subsidiary
ABH	ALT	Taiwan	High performance computing, cloud computing, softwaredefined storage, and IT solution	78,613	78,613	6,581	78.59	68,427	6,581	78.59	6,734	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	523,384	394,772	15,750	100.00	90,906	34,308	100.00	(42,925)	Note 1	Parent/Subsidiary
ABH	AMED	Taiwan	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	267,834	267,834	10,279	67.51	149,829	10,279	67.51	(38,181)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(12,606)	1,225	49.00	(1,666)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle speedometer	38,173	38,173	2,310	100.00	14,296	2,310	100.00	284	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	62,676	50,676	2,900	100.00	25,534	2,900	100.00	(2,764)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(13,122)	1,275	51.00	(1,666)	Note 1	Parent/Subsidiary
ACTTW	ABST	Taiwan	Technical service and research of aBeing cloud digital content management	300,000	300,000	2,500	100.00	(71,107)	2,500	100.00	(6,926)	Note 1	Parent/Subsidiary
ABST	ABSG	Germany	Technical service and research of aBeing cloud digital content management	325,630	325,630	6,029	100.00	(28,853)	6,029	100.00	(5,627)	Note 1	Parent/Subsidiary
AEB	DIS	Taiwan	Wholesale of packaged software	10,125	10,125	675	20.00	9,738	675	20.00	4,215	Note 1	Associate
ITS	TOB	Taiwan	Professional parking lot management services and intelligent parking equipment	97,661	-	1,661	16.13	97,661	1,661	16.13	-	Note 1	Associate
AGM	AGMPH	Philippines	Agency of video game console and peripherals	8,340	8,340	154	100.00	32,084	154	100.00	15,044	Note 1	Parent/Subsidiary
AGM	WKS	Cayman Islands	Investment and holding activity	692,872	641,544	142,538	50.96	724,835	12,337	54.96	48,145	Note 1	Parent/Subsidiary
API	APDI	Taiwan	Solar 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	100.00	- 34,394	1.00	100.00	(10,887)	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Investment and holding activity	1,623	1,623	50	100.00	314,177	50	100.00	3,151	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	27,332	1	100.00	711	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	15,000	60,000	1,500	100.00	12,902	4,000	100.00	(672)	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	(15,374)	105	70.00	(35,143)	Note 1	Parent/Subsidiary
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	363,284	363,284	6,399	16.60	328,903	6,399	16.60	164,379	Note 1	Associate
AOTH	GCL	Hong Kong	Sale of computer, apparatus system, and peripheral equipment	2,675	2,675	300	100.00	3,890	300	100.00	2	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	2,389	1	100.00	(11,012)	Note 1	Parent/Subsidiary

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

Acer Incorporated
Information on Investments in Mainland China
For the year ended December 31, 2023

Table 8

(Amounts in Thousands of New Taiwan Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2023		Share of profits/ losses of investee	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	92,205	1	92,205	-	-	92,205	1,445	100.00	-	100.00	1,445	(5,717)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	46,103	2	-	-	-	-	10,189	100.00	-	100.00	10,189	175,868	-
Acer Computer (Shanghai) Ltd.	Repair and maintenance of IT products	61,470	2	61,470	-	-	61,470	33,848	100.00	-	100.00	33,848	1,255,923	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,610,250	2	4,733,190 (Note 2)	-	-	4,733,190	(1,058,689)	100.00	-	100.00	(1,058,689)	3,305,368	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	153,675	1	153,675	-	-	153,675	(13,213)	100.00	-	100.00	(13,213)	6,921	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	25,973	1	Note 3	-	-	-	(20,466)	30.00	-	30.00	(6,140)	-	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	9,239	1	9,239	-	-	9,239	(41)	100.00	-	100.00	(41)	4,981	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	12,987	1	Note 3	-	-	-	(23,572)	30.00	-	30.00	(7,072)	-	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,329	1	4,329	-	-	4,329	102	100.00	-	100.00	102	9,012	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,047	1	19,047	-	-	19,047	1,496	100.00	-	100.00	1,496	28,157	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	114	100.00	-	100.00	114	29,131	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	15,368	1	15,368	-	-	15,368	19,711	100.00	-	100.00	19,711	64,766	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(4,547)	100.00	-	100.00	(4,547)	7,972	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	7,193	100.00	-	100.00	7,193	302,226	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	19,960	2	-	-	-	-	(22,193)	100.00		100.00	(22,193)	95,652	-
Shanghai Winking Entertainment Limited	Holding activity, art outsourcing and game development headquarter	433,759	2	-	-	-	-	3,104	100.00	-	100.00	1,582	142,698	-
Shanghai Wishing Entertainment Limited	Management of collaborative art design and IP licensing in Mainland China	89,469	2	-	-	-	-	1,409	100.00	-	100.00	718	8,871	-
Nanjing Winking Entertainment Ltd	Art outsourcing	86,403	2	-	-	-	-	(38,472)	100.00	-	100.00	(19,606)	81,603	-
Acer e-Enabling Service Business (Shang-Hai) Ltd.	Sales of information software and information consulting service	46,103	1	-	46,103	-	46,103	(458)	100.00	-	100.00	(458)	45,721	-

Note 1: Method of Investment:

Type 1: Direct investment in Mainland China.

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

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

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

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)(Note 5)(Note 6)(Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 4)(Note 5)(Note 6)(Note 7)	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company and Subsidiaries	$5,768,440 (US$187,683,082)	$8,139,884 (264,840,852.98)	$48,205,239 (Note)

Note 4: In September 2008, AOI had disposed all shares of JNS Technology Co., Ltd., and the proceeds from the disposal of US$ 730,000 had been remitted to AOI in March 2010.

AOI has not yet to report to MOEA, therefore, the 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.

ACER INCORPORATED

Statement of Cash and Cash Equivalents

December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 614
Bank deposits	Note 1	6,782,871
Time deposits (mature within three months)	Interest rate at 3.72%~5.83%; Note 2	11,579,703
		$ 18,363,188

Note 1: Foreign currency deposits (in thousands) and their exchange rates were as follows:

CNY	$	8	CNY: NTD=1 :	4.3289
EUR	$	527	EUR: NTD=1 :	32.9284
USD	$	194,434	USD: NTD=1 :	30.7350
JPY	$	13	JPY: NTD=1 :	0.2179
SEK	$	202	SEK: NTD=1 :	3.0511
AUD	$	141	AUD: NTD=1 :	20.9367
NZD	$	91	NZD: NTD=1 :	19.4214
KRW	$	21,295	KRW: NTD=1 :	0.0239
HKD	$	0.7	HKD: NTD=1 :	3.9346

Note 2: Including USD $376,000 and EUR $688.

(Continued)

ACER INCORPORATED

Statement of Notes and Accounts Receivable

December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Notes and accounts receivable:	
Client A	$ 642,895
Client B	427,290
Client C	349,249
Client D	290,215
Client E	271,633
Others (the amount of individual client does not exceed 5% of the account balance)	2,057,197
Less: loss allowance	(1,461)
	$ 4,037,018

Statement of Inventories

Item	Amount: Carrying Amount	Amount: Market Value	Note
Raw materials	$ 12,698,362	13,052,086	Market value at net realizable value
Finished goods and merchandise	740,248	845,189	Market value at net realizable value
Spare parts	50,213	50,213	Market value at net realizable value
Inventories in transit	292,150	292,150	Market value at net realizable value
	$ 13,780,973	**14,239,638**	

(Continued)

ACER INCORPORATED

Statement of Other Current Assets

December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Prepaid expenses	$ 213,193
Input VAT	248,682
Others	11,886
	$ 473,761

Statement of Other Financial Assets - Current

Items	Amount
Time deposits with original maturities between three months and one year	**$ 1,239,900**

(Continued)

Acer Incorporated

Statement of Changes in Financial Assets Measured at Amortized Cost – Current

December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Name	Beginning Balance		Addition		Deductions		Others (Note)		Ending Balance		Pledged as	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Collateral	Remark
USD Fixed Rate Callable Note 1.83 02/23/2024	-	$ -	-	-	-	-	-	307,350	-	307,350		
USD Fixed Rate Callable Note 3.05 04/01/2024	-	-	-	-	-	-	-	153,675	-	153,675		
		$ -		**-**		**-**		**461,025**		**461,025**		

Note: Others include amortization, translation adjustments and reclassification from non-current assets to current assets.

(Continued)

Acer Incorporated

Statement of Changes in Financial Assets Measured at Amortized Cost – Non-current

December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Deductions		Others (Note)		Ending Balance		Pledged as	
Name	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Collateral	Remark
USD Fixed Rate Callable Note 1.83 02/23/2024	-	$ 307,080	-	-	-	-	-	(307,080)	-	-		
USD Fixed Rate Callable Note 3.05 04/01/2024	-	153,540	-	-	-	-	-	(153,540)	-	-		
USD Fixed Rate Callable Note 3.85 05/13/2025	-	153,540	-	-	-	-	-	135	-	153,675		
CREDIT AGRICOLE SA Bond 4.375 03/17/2025	-	61,556	-	-	-	-	-	(7)	-	61,549		
UBS Bond 4.125 09/24/2025 09/24/2025	-	61,147	-	-	-	-	-	148	-	61,295		
HSBC Bond 4.375 11/23/26	-	60,919	-	-	-	-	-	172	-	61,091		
HSBC Bond 3.9 05/25/26	-	-	-	205,419	-	-	-	4,668	-	210,087		
UBS Bond 4.253 03/23/28	-	-	-	204,146	-	-	-	4,099	-	208,245		
MUFG Bond 2.757 09/13/26	-	-	-	169,074	-	-	-	5,397	-	174,471		
SUMIBK Bond 5.52 01/13/28	-	-	-	93,206	-	-	-	772	-	93,978		
Citigroup Inc. Bond 3.3 04/27/25	-	-	-	59,219	-	-	-	1,162	-	60,381		
Citigroup Inc. Bond 3.3 04/27/25	-	-	-	88,829	-	-	-	1,730	-	90,559		
MIZUHO Bond 3.477 04/12/26	-	-	-	87,780	-	-	-	1,634	-	89,414		
SUMIBK Bond 3.364 07/12/27	-	-	-	144,248	-	-	-	2,684	-	146,932		
MUFG Bond 3.85 03/01/26	-	-	-	88,646	-	-	-	1,531	-	90,177		
SUMIBK Bond 5.52 01/13/28	-	-	-	62,259	-	-	-	524	-	62,783		
MIZUHO Bond 3.477 04/12/26	-	-	-	58,520	-	-	-	1,077	-	59,597		
CREDIT AGRICOLE 5.301 07.12/28	-	-	-	92,100	-	-	-	105	-	92,205		
HSBC 5.625 03/17/25	-	-	-	92,146	-	-	-	111	-	92,257		
BNP 3.375 01/09/25	-	-	-	88,877	-	-	-	924	-	89,801		
P12 Cathay Life Insurance 1A	-	-	-	1,500,000	-	-	-	-	-	1,500,000		
BNP 3.375 01/09/25	-	-	-	59,497	-	-	-	573	-	60,070		
SOCGEN 4.677 06/15/27 Corp	-	-	-	90,098	-	-	-	(470)	-	89,628		
BNP 3.5 11/16/27	-	-	-	86,149	-	-	-	(240)	-	85,909		
HSBC 5.625 03/17/25	-	-	-	62,019	-	-	-	(532)	-	61,487		
CREDIT AGRICOLE 5.301 07.12/28	-	-	-	61,442	-	-	-	(478)	-	60,964		
SOCGEN 4.677 06/15/27 Corp	-	-	-	59,706	-	-	-	(316)	-	59,390		
BNP 3.5 11/16/27	-	-	-	87,709	-	-	-	(2,693)	-	85,016		
WSTPNZ 4.902 02/15/28	-	-	-	157,500	-	-	-	(3,825)	-	153,675		
ANZNZ 5.355 08/14/28	-	-	-	161,044	-	-	-	(3,924)	-	157,120		
		$ 797,782		3,859,633		-		(445,659)		4,211,756		

Note: Others include amortization, translation adjustments and reclassification from non-current assets to current assets.

(Continued)

ACER INCORPORATED

Statement of Changes in Investments Accounted for Using The Equity Method

For the year ended December 31, 2023

(Expressed in Thousands of New Taiwan Dollars / Thousands of Shares)

	Beginning Balance		Addition		Decrease					Ending balance			Market Value or Net Assets Value		
Name of Investee	Shares	Amount	Shares	Amount	Shares	Amount (note)	Others	Investment Profit (Loss)	Foreign Currency Translation Differences	Shares	Percentage of Ownership	Amount	Unit Price (In Dollars)	Total Amount	Collateral
ADSC	66,215	$ 1,268,035	-	-	-	(54,783)	782,250	81,371	(18)	66,215	100.00 %	2,076,855	31.37	2,076,855	-
Boardwalk	1,263,432	28,595,246	-	-	-	-	1,509	(134,606)	81,959	1,263,432	92.02 %	28,544,108	22.59	28,544,108	-
AEH	147	19,359,626	-	-	-	-	(14,440)	(366,713)	523,765	147	100.00 %	19,502,238	132,668	19,502,238	-
AHI	191,155	16,338,839	-	-	-	-	(5,254)	(479,802)	(103,780)	191,155	100.00 %	15,750,003	82.39	15,750,003	-
Bluechip	1,421	92,038	-	-	-	(1,710)	(914)	1,855	184	1,421	24.18 %	91,453	64.36	91,453	-
ASCBVI	158,475	3,271,416	-	-	(158,475)	(3,484,991)	22,847	3,215	187,513	-	- %	-	-	-	-
CCI	-	615,773	850	3,087,671	-	(9,187)	(12,509)	53,004	(198,837)	850	100.00 %	3,535,915	4,159.90	3,535,915	-
ACSI	13,296	722,725	-	-	-	(59,830)	(2,028)	114,096	-	13,296	59.88 %	774,963	192.50	2,559,480	-
WLII	48,073	1,211,483	-	-	-	(168,256)	(5,857)	243,192	(1,068)	48,073	58.93 %	1,279,494	56.70	2,725,739	-
AGT	39,308	2,232,474	-	-	-	(64,859)	30,538	70,976	(984)	39,308	63.54 %	2,268,145	40.20	1,580,182	-
ABH	130,308	1,954,777	-	-	-	(140,410)	(99,003)	247,299	(3,666)	130,308	100.00 %	1,958,997	15.03	1,958,997	-
ASBZ	441	7,649	-	-	-	-	-	(62)	-	441	66.81 %	7,587	17.20	7,587	-
AOI	28,970	347,183	5,294	360,013	-	(43,455)	(127,610)	89,071	(5,315)	34,264	43.68 %	619,887	63.80	2,186,043	-
SEB	-	9,163	-	-	-	-	-	102	(253)	-	100.00 %	9,012	-	9,012	-
SFT	13,200	53,733	24,000	91,105	(13,200)	(44,922)	-	(8,811)	-	24,000	100.00 %	91,105	3.80	91,105	-
HSNC	10,242	125,938	-	-	-	(10,242)	(523)	15,522	(2,644)	10,242	63.18 %	128,051	58.30	597,109	-
AST	11,349	396,941	1,291	116,169	-	(34,047)	(7,873)	36,473	(628)	12,640	56.94 %	507,035	82.80	1,046,592	-
API	22,484	267,573	-	-	(7,500)	(100,946)	5,570	17,009	-	14,984	59.94 %	189,206	12.63	189,206	-
AGM	24,449	799,007	-	-	-	(24,449)	11,211	41,447	(2,668)	24,449	69.85 %	824,548	89.21	1,960,810	-
AAM	107,719	1,075,017	-	-	-	-	-	(8,148)	-	107,719	100.00 %	1,066,869	9.90	1,066,869	-
ABI	1,500	5,151	-	10,000	(500)	-	-	(12,662)	-	1,000	100.00 %	2,489	2.49	2,489	-
ASSB	30,969	1,404,134	-	-	-	-	-	49,426	(55,607)	30,969	100.00 %	1,397,953	45.14	1,397,953	-
ACS	3,985	223,952	-	-	-	-	-	11,561	2,257	3,985	100.00 %	237,770	59.67	237,770	-
CHC	5,000	49,513	-	-	-	-	-	(4,207)	-	5,000	41.67 %	45,306	9.06	45,306	-
ATBD	-	-	1	-	-	-	-	(585)	7	1	100.00 %	(578)	(578.00)	578	-
HRC	-	-	30,000	300,000	-	-	-	81	-	30,000	60.00 %	300,081	10.00	300,081	-
Others	-	13,449	-	-	-	-	362	-	(16)	-	-	13,795	-	-	-
Subtotal		80,440,835		3,964,958		(4,242,087)	578,276	60,104	420,201			81,222,287			
Less: Treasury stock held by subsidiaries		(2,914,856)		-		(202,082)	-	-	-			(2,712,774)			
Adjustments of unrealized profits or losses resulting from transactions with subsidiaries and associates		(484,557)		-		11,402	-	-	-			(473,155)			
		$ 77,041,422		3,964,958		(4,432,767)	578,276	60,104	420,201			78,036,358			

Note: The amount included cash dividend $611,227 distributed from the investees.

(Continued)

ACER INCORPORATED

Statement of Changes in Financial Assets Measured at Fair Value through Other Comprehensive Income －Non-current

For the year ended December 31, 2023

(Expressed in Thousands of New Taiwan Dollars / Thousands of Shares)

	Beginning balance		Addition		Decrease			Ending Balance		
Name of Financial Instrument	Shares	Amount	Shares	Amount	Shares	Amount	Unrealized Gain (Loss)	Shares	Amount	Collateral
Common Stock of Qisda	89,516	$ 2,519,867	-	-	-	-	1,776,886	89,516	4,296,753	-
Common Stock of Wistron	54,816	1,611,590	-	-	(35,707)	(4,285,821)	4,558,378	19,109	1,884,147	-
Common Stock of WPG Holdings	4,012	192,956	-	-	-	-	134,387	4,012	327,343	-
Preferred stock B of SKFH	6,830	245,197	-	-	-	-	(49,518)	6,830	195,679	-
Stock of Pell Bio-med Technology Co., Ltd.	2,400	120,000	-	-	-	-	-	2,400	120,000	-
Stock of CellMax Life Inc.	600	17,421	-	-	-	-	(17,421)	600	-	-
Stock of CT Ambi Investment and Consulting Inc.	2,000	20,000	-	-	-	-	(3,028)	2,000	16,972	-
Common Stock of FocalTech	8,733	511,735	-	-	-	-	470,692	8,733	982,427	-
Preferred stock B of CTBC	855	50,701	-	-	-	-	86	855	50,787	-
Preferred stock A of CTFH	260	14,716	-	-	-	-	780	260	15,496	-
Preferred stock B of CTFH	1,177	64,265	-	-	-	-	6,003	1,177	70,268	-
Preferred stock A of FBFH	254	15,342	-	-	-	-	178	254	15,520	-
Preferred stock B of FBFH	991	56,982	-	-	-	-	2,378	991	59,360	-
Preferred stock C of FBFH	7,000	385,700	-	-	-	-	(700)	7,000	385,000	-
Preferred stock A of UBOT	30	1,551	-	-	-	-	(12)	30	1,539	-
Preferred stock E of TSFH	335	17,286	-	-	-	-	(168)	335	17,118	-
Common Stock of Apacer Technology	11,000	455,400	710	36,317	-	-	233,132	11,710	724,849	-
Stock of Fortune Electric Value Company Limited	2,500	80,000	-	-	-	-	(52,599)	2,500	27,401	-
Stock of Starbit Innovation Co., Ltd.	2,920	35,040	-	-	-	-	(35,040)	2,920	-	-
Stock of GreenHarvest Co., Ltd.	1,111	49,995	-	-	-	-	-	1,111	49,995	-
Common Stock of Welldone	-	-	10,000	400,500	-	-	141,500	10,000	542,000	-
Stock of C-LiFe Technologies, Inc.	-	-	11,000	330,000	-	-	-	11,000	330,000	-
		$ 6,465,744		**766,817**		**(4,285,821)**	**7,165,914**		**10,112,654**	

(Continued)

ACER INCORPORATED

Statement of Accounts Payable

For the year ended December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Vendor Name	Amount
Vendor A	$ 7,486,275
Vendor B	1,749,731
Vendor C	4,252,506
Vendor D	1,803,829
Others (the amount of individual vendor does not exceed 5% of the account balance)	15,663,827
	$ 30,956,168

Statement of Other Payable

Item	Amount
Royalty payable	$ 3,759,292
Accrued for price difference	5,523,801
Accrued product development costs	5,186,877
Salaries and bonus payable	1,997,419
Others (the amount of individual item does not exceed 5% of the account balance)	4,796,788
	$ 21,264,177

(Continued)

ACER INCORPORATED

Statement of Other Non-Current Liabilities

December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Defined benefit liabilities	$ 604,237
Guarantee deposits	8,095
	$ 612,332

Statement of Lease Liabilities

Item	Description	Lease terms	Discount rate	Ending balance
Lease liabilities	Buildings	2021/04~2027/11	0.90%~2.24%	$ 78,522
Lease liabilities	Other equipments	2023/09~2026/09	2.24%	3,799
				$ 82,321
Lease liabilities—current				**$ 54,885**
Lease liabilities—non-current				**$ 27,436**

(Continued)

ACER INCORPORATED

Statement of Cost of Revenue

For the year ended December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount Subtotal	Amount Total
Cost of goods sold from purchase		$ 143,458,994
Beginning inventory	$ 15,005,479	
Net purchase for the period	132,951,417	
Ending inventory	(14,968,259)	
Reclassified to property, plant and equipment	(4,195)	
Royalty for software and technology	10,891,602	
Reversal of write-downs of inventories	(1,299,501)	
ODM stock provision	126,517	
Others	755,934	
Cost of product development and repair and maintenance		34,776
Cost of revenue		**$ 143,493,770**

(Continued)

ACER INCORPORATED

Statement of Operating Expenses

For the year ended December 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Research and development expenses
Salaries	$ 1,140,342	469,852	679,164
Depreciation	63,000	62,292	25,292
Amortization	134	26,619	1,853
NRE and test inspection expense	-	-	619,196
Professional service expense	-	364,936	-
Others	197,502	130,965	287,375
	$ 1,400,978	1,054,664	1,612,880

Statement of Financial Assets Measured at Fair Value through Profit or Loss – Current: Note 6(b).
Statement of Receivable from Related Parties and Other Receivable from Related Parties: Note 7.
Statement of Other Receivables: Note 6(d).
Statement of Changes in Property, Plant and Equipment: Note 6(i).
Statement of Changes in Right-of-use Assets: Note 6(j).
Statement of Changes in Investment Property: Note 6(k).
Statement of Changes in Intangible Assets: Note 6(l).
Statement of Financial Liabilities Measured at Fair Value through Profit or Loss – Current: Note 6(b).
Statement of Long-term debt: Note 6(m).
Statement of Payables to Related Parties and Other Payables to Related Parties: Note 7.
Statement of Bonds Payable: Note 6(n).
Statement of Provisions – Current: Note 6(p).
Statement of Deferred Tax Assets/Liabilities: Note 6(s).
Statement of Revenue: Note 6(v).
Statement of Other Operating Income and Expenses: Note 6(x).
Statement of Other Income: Note 6(y).
Statement of Other Gains and Losses: Note 6(y).
Statement of Financial Costs: Note 6(y).