

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

**ACER INCORPORATED AND SUBSIDIARIES****Consolidated Balance Sheets****December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

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

(Continued)

See accompanying notes to consolidated financial statements.

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

**ACER INCORPORATED AND SUBSIDIARIES****Consolidated Balance Sheets (Continued)****December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

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

See accompanying notes to consolidated financial statements.

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

**ACER INCORPORATED AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

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

See accompanying notes to consolidated financial statements.

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

## ACER INCORPORATED AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent													
	Retained earnings						Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2022</b>	\$ 30,478,538	27,514,269	1,456,427	4,833,750	10,596,212	16,886,389	(8,805,597)	746,183	(228,210)	(8,287,624)	(2,914,856)	63,676,716	2,346,227	66,022,943
Net income for the period	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688	599,604	5,603,292
Other comprehensive income (loss) for the period	-	-	-	-	-	-	4,595,828	(1,204,929)	535,617	3,926,516	-	3,926,516	1,309	3,927,825
Total comprehensive income (loss) for the period	-	-	-	-	5,003,688	5,003,688	4,595,828	(1,204,929)	535,617	3,926,516	-	8,930,204	600,913	9,531,117
Appropriation approved by the stockholders:														
Legal reserve	-	-	1,058,914	-	(1,058,914)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,564,442	(2,564,442)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,949,107)	(6,949,107)	-	-	-	-	-	(6,949,107)	-	(6,949,107)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	107,298	-	-	-	-	-	-	-	-	-	107,298	-	107,298
Share of changes in equity of associates	-	(2,746)	-	-	-	-	-	-	-	-	-	(2,746)	(8,621)	(11,367)
Change in ownership interests in subsidiaries	-	154,065	-	-	-	-	(287)	5,195	7,486	12,394	-	166,459	(166,459)	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	22,986	22,986
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	12,345	-	-	-	-	-	-	-	-	-	12,345	(12,345)	-
Organizational restructuring under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	2,083	(2,083)	-
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,350	18,407	20,757
Aquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	278,873	278,873
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,616,281	1,616,281
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(207,441)	(207,441)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(43,825)	(43,825)	-	43,825	-	43,825	-	-	-	-
Liquidation of subsidiaries	-	-	-	-	-	-	1,855	-	-	1,855	-	1,855	-	1,855
<b>Balance at December 31, 2022</b>	<u>30,478,538</u>	<u>27,795,883</u>	<u>2,515,341</u>	<u>7,398,192</u>	<u>4,983,612</u>	<u>14,897,145</u>	<u>(4,219,903)</u>	<u>(409,726)</u>	<u>320,376</u>	<u>(4,309,253)</u>	<u>(2,914,856)</u>	<u>65,947,457</u>	<u>4,486,738</u>	<u>70,434,195</u>
Net income for the period	-	-	-	-	4,931,944	4,931,944	-	-	-	-	-	4,931,944	699,220	5,631,164
Other comprehensive income (loss) for the period	-	-	-	-	-	-	421,565	7,813,884	(25,813)	8,209,636	-	8,209,636	(21,875)	8,187,761
Total comprehensive income (loss) for the period	-	-	-	-	4,931,944	4,931,944	421,565	7,813,884	(25,813)	8,209,636	-	13,141,580	677,345	13,818,925
Appropriation approved by the stockholders:														
Legal reserve	-	-	495,986	-	(495,986)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(84,251)	84,251	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119	-	70,119
Disposal of the company's share by subsidiaries recognized as treasury share transactions	-	73,115	-	-	-	-	-	-	-	-	202,082	275,197	-	275,197
Share of changes in equity of associates	-	1,640	-	-	-	-	-	-	-	-	-	1,640	-	1,640
Changes in ownership interests in subsidiaries	-	(117,115)	-	-	-	-	(1,364)	(431)	(312)	(2,107)	-	(119,222)	119,222	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	84,859	84,859
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(19,538)	-	-	-	-	-	-	-	-	-	(19,538)	19,538	-
Organizational restructuring under common control	-	252	-	-	-	-	-	-	-	-	-	252	(252)	-
Stock option compensation cost of subsidiaries	-	820	-	-	-	-	-	-	-	-	-	820	4,851	5,671
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	220,553	220,553
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	429,281	429,281
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(426,594)	(426,594)
Disposal of financial assets measured at fair value through other comprehensive income by the Company	-	-	-	-	3,212,026	3,212,026	-	(3,212,026)	-	(3,212,026)	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	21,652	21,652	-	(21,652)	-	(21,652)	-	-	-	-
<b>Balance at December 31, 2023</b>	<u>\$ 30,478,538</u>	<u>27,805,176</u>	<u>3,011,327</u>	<u>7,313,941</u>	<u>8,165,718</u>	<u>18,490,986</u>	<u>(3,799,702)</u>	<u>4,170,049</u>	<u>294,251</u>	<u>664,598</u>	<u>(2,712,774)</u>	<u>74,726,524</u>	<u>5,615,541</u>	<u>80,342,065</u>

See accompanying notes to consolidated financial statements.

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

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

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

(Continued)

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

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

See accompanying notes to consolidated financial statements.