



ACER INCORPORATED

Agenda of 2023 General Shareholders' Meeting (Translation)

TSE 2353

Date: June 6, 2023

Venue: Aspire Resort
(No. 428, Kewang Rd., Longtan District, Taoyuan City)

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Reuse, recycle for a sustainable future

Disclaimer

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

ACER INCORPORATED (THE "COMPANY")

Regulations for the Conduct of Shareholders' Meetings

1. These Regulations shall govern the conduct of Shareholders' Meetings of the Company.
2. Each shareholder or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.

The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated according to the shares indicated by the attendance book and attendance card handed in, and the shares checked in on the virtual meeting platform, plus the shares exercising voting right by the way of electronic transmission.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure

of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date.

Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location domestically, and the chair shall declare the address of their location when the meeting is called to order.

5. The Shareholders' Meeting shall be called by the Board of Directors. The chairman of the Board of Directors shall preside over the meeting. If the chairman of the Board of Directors takes a leave or is not available for the meeting then the vice-chairman of the Board of Directors shall act on his/her behalf to preside over the meeting. If neither the chairman nor the vice-chairman of the Board of Directors is available for the meeting, or no vice-chairman is elected, the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman's behalf if the chairman does not appoint a designee. In the event that a Shareholders' Meeting is called by a person other than the Board of Directors who is entitled by law to call a Shareholders' Meeting, that person shall preside over the meeting.
6. The Company may designate attorneys, certified-public-accountants, or relevant personnel to attend the Shareholders' Meeting.

7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one Year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

8. The person who presides over the Shareholders' Meeting shall call the meeting in session at the designated time of the meeting. However, such person may announce a postponement of the meeting if at the designated time shares in attendance fail to exceed half of the total issued and outstanding shares of the Company. Such a postponement of meeting shall not be made more than two times, with postponement(s) limiting to one hour in aggregate. If, after second such postponement, shares in attendance are less than a quorum but more than one-thirds of the total issued and outstanding shares, the shareholders may proceed with such meeting pursuant to Article 175 of the Company Act to adopt provisional resolutions. Before the meeting is adjourned, if shares in attendance have reached a required quorum, the person presiding over the meeting may, pursuant to Article 174 of the Company Act, submit those provisional resolutions so adopted for a final resolution at the meeting.
9. If Shareholders' Meeting is called by the Board of Directors, the Board of Directors shall set the agenda of the meeting. The meeting shall proceed in accordance with the agenda so set by the Board of Directors unless otherwise changed by a resolution adopted at the meeting. During the meeting, the person presiding over the meeting may allocate an appropriate amount of time for recess. Unless otherwise adopted by a resolution, the person presiding over the meeting may not adjourn the meeting prior to the end of the agenda of the meeting. If the person presiding over the meeting declares the adjournment of the meeting in a manner in violation of the applicable rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution adopted by a majority of the voting rights

represented by the shareholders attending said meeting to continue the proceeding of the meeting.

10. A shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No shareholders shall interfere with the shareholder who is making oral statement in any way unless the chairman of the meeting or the speaking shareholder gives his/her consent. The person presiding over the meeting shall stop any such interference.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding paragraph do not apply.

11. Unless otherwise approved by the person presiding over the meeting, each shareholder may make oral statements only twice for a same proposal or addressing matter under deliberation; and the length each oral statement shall not exceed 5 minutes. Otherwise, the person presiding over the meeting may stop the shareholder from making further statements.
12. A legal entity acting as a proxy for a shareholder to attend the meeting may appoint only one representative to attend the meeting. If more than one representatives are appointed by such legal entity to attend the meeting, only one person elected among them may make oral statements on the same proposal.
13. The person presiding over the meeting may reply to the oral statements, or may designate appropriate person to reply to the oral statements made by shareholders in attendance.
14. The person presiding over the meeting may declare the suspension of discussing of a proposal as he/she may deem appropriate and may submit the proposal for adopting a resolution.
15. The person presiding over the meeting shall appoint persons among the shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

16. Unless otherwise provided for in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately

17. The person presiding over the meeting shall determine the order of voting on amendment proposals or substituted proposals accompanying with their original proposals. As soon as one of those proposals is adopted as a resolution, other proposals in conflict regarding the same matter shall be deemed denied and shall require no further voting.
18. The person presiding over the meeting may direct monitors (or security guards) to maintain order at the meeting. Monitors (or security guards) shall wear a badge marked "SECURITY" or "MONITOR" when performing their duties at the meetings.
19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to shareholders.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not

registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postpone or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

20. The applicable provisions of the Company Act, the relevant regulations and the Company's Articles of Incorporation shall govern any matter not provided herein.
21. These Regulations and any amendments thereto, shall become effective upon approval by the shareholders.
22. Approved by the General Shareholders' Meeting held on May 15, 1990.
- First Amendment approved by the General Shareholders' Meeting held on April 26, 1996.
- Second Amendment approved by the General Shareholders' Meeting held on May 29, 1998.
- Third Amendment approved by the General Shareholders' Meeting held on June 11, 2003.
- Fourth Amendment approved by the General Shareholders' Meeting held on June 15, 2012.
- Fifth Amendment approved by the General Shareholders' Meeting held on June 10, 2022.

TABLE OF CONTENT

A. Meeting Agenda	6
1. Report Items	7
2. Election Item	8
3. Proposed Items for Ratification and Discussion	9
4. Extemporaneous Motion	13
B. Attachment	14
1. Business Report for the Year 2022	14
2. Audit Committee Report	16
3. The status of shareholders' diversification of Acer subsidiaries' shares is planned to be listed on TWSE or TPEX	17
4. The Issuance of Unsecured Corporate Bonds	19
5. List of Director and Independent Director Candidates	20
6. Financial Statements for the Year 2022	23
7. Profit Distribution Statement for the Year 2022	45
8. Concurrent Positions of Director and Independent Director Candidates	46
C. Appendix	48
1. Articles of Incorporation of Acer Incorporated	48
2. Regulations Governing Election of Directors	54
3. Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Shareholder Return Rate	56
4. Shareholdings of All Directors	57

Meeting Agenda

Time: 9:00 a.m., Tuesday, June 6, 2023

Venue: Aspire Resort

(No. 428, Kewang Rd., Longtan District, Taoyuan City)

Type: Physical Shareholders' Meeting

1. Report Items

- (1) Business Report for the Year 2022
- (2) Audit Committee Report
- (3) Report on the Distribution of Cash Dividend, Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2022
- (4) Report on the status of shareholders' diversification of Acer subsidiaries' shares is planned to be listed on TWSE or TPEX
- (5) Report on the Unsecured Corporate Bonds of Acer Inc.

2. Election Item

To Elect Seven Directors (Including Four Independent Directors) of the Company

3. Proposed Items for Ratification and Discussion

- (1) Ratification Proposal of the Financial Statements, Business Report and Profit Distribution Statement for the Year 2022
- (2) To Approve the listing application of the Company's subsidiary, WINKING ENTERTAINMENT LTD, on the overseas stock market
- (3) To Release Non-Compete Restrictions on Newly-Elected Directors and their Representatives

4. Extemporary Motion

5. Meeting Adjourned

1. Report Items

(1) Business Report for the Year 2022

Explanatory Notes: Please refer to Attachment 1, [pages 14 to 15](#).

(2) Audit Committee Report

Explanatory Notes: Please refer to Attachment 2, [page 16](#).

(3) Report on the Distribution of Cash Dividend, Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2022

Explanatory Notes:

i. Distribution of Cash Dividend

- (i) Pursuant to Article 21 of the Article of Incorporation, the distributable dividends and bonuses in whole or in part will be paid in cash by this 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.
- (ii) The total accumulative earnings available for appropriation is NT\$4,571,876,660, and plan to distribute the cash dividend of NT\$4,571,780,742 to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a preliminary ratio of NT\$1.5 per share. (Rounded down to NT\$1 and the residue will be calculated and booked as the Company's other income).
- (iii) The record date for ex-dividend is temporarily set on July 7, 2023, and the distribution date is set on August 3, 2023. Should the dates above be adjusted due to the amendment of laws or regulations, or request by competent authorities, the Chairman is authorized with full power to adjust accordingly.

ii. Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation

- (i) The Board of Directors approved the proposal of employees' 2022 profit sharing bonus and Board Directors' compensation on March 16, 2023. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.
- (ii) The total amount of employees' 2022 profit sharing bonus is NT\$475,000,000.
- (iii) The total amount of Board Directors' 2022 compensation is NT\$7,000,000.

(4) Report on the status of shareholders diversification of Acer subsidiaries' shares is planned to be listed on TWSE or TPEX

Explanatory Notes: Please refer to Attachment 3, [pages 17 to 18](#).

(5) Report on the Unsecured Corporate Bonds of Acer Inc.

Explanatory Notes: Please refer to Attachment 4, [page 19](#).

2. Election Item

Proposal: To Elect Seven Directors (Including Four Independent Directors) of the Company.
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Since the tenure of all current six directors of the Company (including three independent directors) will expire in June 2023, it is to re-elect all directors (including three ordinary directors and four independent directors) at the General Shareholders' Meeting this Year in accordance with the Company's Articles of Incorporation. The tenure of directors to be elected will be three Years from the election date of June 6, 2023 (expected to be until the date of the shareholders' meeting in 2026). The Directors are eligible for re-election. The Audit Committee will be constituted by all the independent directors, and the Remuneration Committee will be constituted by three or more independent directors.
- (2) Pursuant to the Company's Article of Incorporation, a candidates nomination system shall be adopted, and the list of candidates for directors (including independent directors) nominated by the Board of Directors is attached as Attachment 5, [pages 20 to 22](#).

Voting Result:

3. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements, Business Report and Profit Distribution Statement for the Year 2022. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's Financial Statements for the Year 2022, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flow have been audited by CPA Huei-Chen Chang and CPA Ching-Wen Kao of KPMG.
- (2) The Business Report for the Year 2022, the aforementioned financial statements and Profit Distribution Statement for the Year 2022 are attached hereto as Attachment 1, pages 14 to 15; and Attachment 6~7, [pages 23 to 45](#), which have been approved by the Audit Committee and by the Board of Directors via resolution.
- (3) Please discuss.

Resolution:

Item 2

Proposal: To Approve the listing application of the Company's subsidiary, WINKING ENTERTAINMENT LTD, on the overseas stock market. (Proposed by the Board of Directors)

Explanatory Notes:

(1) In order for the subsidiary, Acer Gaming Inc. (TPEX Emerging Stock Code: 6908, hereinafter referred to as "AGM"), to continually deepen and expand its foothold in the gaming content field and related businesses, the board of directors of Acer Inc. and AGM resolved to invest in WINKING ENTERTAINMENT LTD (hereinafter referred to as "WINKING") in August 2022 and obtained 54.96% of the issued common shares. WINKING is a world-renowned design company for gaming art, providing advanced art outsourcing production and game development services, and has participated in the production of many popular games. WINKING was established and registered in the British Cayman Islands, and in addition to its offices in Taiwan, China, and Hong Kong, it will continue to expand Southeast Asia, including Singapore, Philippines, as well as Europe and the United States. WINKING's application to be listed in a market outside Taiwan has been reviewed by Acer Inc.'s audit committee in accordance with Taiwan Stock Exchange regulations.

(2) The purpose of WINKING's application to list on a stock market outside Taiwan:

Listing on a stock market outside Taiwan would enable WINKING to raise funds, expand financing channels, increase opportunities for mergers and acquisitions and investment in high-quality gaming art production and collaboration with gaming developers, thereby enhancing the company's global competitiveness and prominence. Currently, WINKING plans to apply to the Singapore Exchange (SGX) Catalist board for the initial public offering and listing of stocks (hereinafter referred to as "WINKING's listing outside Taiwan").

(3) The impact on finances, business, and the expected organizational structure and business adjustments and their impact to Acer Inc.:

i. Impact on finance:

WINKING's listing outside Taiwan will enrich the funds needed for operations, strengthen its financial structure and financing capabilities, attract outstanding talents, and promote the development of more gaming projects. Regardless of the application for stock listing in Taiwan or other markets, Acer Inc.'s shareholding ratio will be diluted to comply with relevant legal requirements, however, it is expected that AGM will still hold more than 50% of the total issued shares of WINKING or maintain controlling power over WINKING. Therefore, WINKING will continue to be a subsidiary company consolidated in Acer Inc.'s financial statements; WINKING's overseas listing will not have a negative impact on Acer Inc.'s finances and will bring positive benefits.

ii. Impact on business:

Acer Inc. does not engage in the same business as the subsidiary AGM and WINKING. The purpose of AGM's investment in acquiring WINKING's shares is to continue to deepen and expand in the gaming field, from the current gaming and accessory hardware distribution business towards game content-related business. Although Acer Inc., AGM and WINKING have opportunities for cooperation in the future, each will still develop its business independently. Therefore, WINKING's application for listing on stock exchanges outside Taiwan is beneficial to AGMs' overseas business expansion and has no negative impact on Acer Inc.'s business.

iii. The impact of the expected organizational structure and business adjustment on Acer Inc.:

WINKING's operating organizational structure and business have not been adjusted due to WINKING's listing outside Taiwan. For complying with relevant regulations of securities markets outside Taiwan, corporate governance requirements, and actual needs, the number of seats for the board of directors will be adjusted to five, including three independent directors, which is also in line with Acer Group's expectations for corporate governance. In addition, if WINKING's overseas listing is successful, it is expected that AGM will still hold more than 50% of the total issued shares of WINKING or maintain controlling power. Therefore, WINKING's listing outside Taiwan will have no impact on Acer Inc. and will still be included in the consolidated financial statements of Acer Inc.

To sum up, WINKING's listing outside Taiwan will not have a negative impact on Acer Inc.

(4) The method of the subsidiary's equity dispersion, the expected reduction in the shareholding ratio, the basis for setting the price, the equity transferee or the specific party of the negotiation:

- i. The method of the subsidiary's equity dispersion, the estimated reduction of shareholding ratio, and the basis of price determination: In response to the equity dispersion required for WINKING's listing outside Taiwan, the issuance of new shares and the release of original shares by WINKING shareholders will follow relevant stock exchange laws and regulations for complying with the fundamental requirements of the local laws and regulations on the dispersion of shares. It is currently estimated (with Singapore Exchange Catalist as an example) that the number of new shares issued to public shareholders (including pre-listing investors) after listing approval and WINKING shareholders release the original shares issued will not be less than 15% of the total shares of WINKING after listing. The shareholding ratio of specific public shareholders and the issue price will be handled in accordance with the relevant laws and regulations of the listing place and the listing rules. The share released by WINKING's shareholders will be negotiated with other shareholders of WINKING, and AGM will not participate in this release. It is expected that AGM will still hold more than 50% of WINKING's shares after this release.
- ii. Persons who subscribe to the new shares or will be transferred with the equity shall be qualified investors who comply with the local laws and regulations of the listing place, the listing rules, and the regulations of the securities regulatory authority.

(5) Whether WINKING's listing outside Taiwan will affect Acer Inc.'s continued listing in Taiwan:

After the listing and release of shares, the Taiwan Stock Exchange will review and have discretion over Acer Inc.'s continued listing in accordance with the relevant regulations of its review guidelines. In view of WINKING's overseas issuing, the method of information disclosure will be in accordance with the relevant regulations of Taiwan Stock Exchange, which will not affect Acer Inc.'s continued listing on the Taiwan Stock Exchange.

(6) Other:

- i. WINKING's listing outside Taiwan is still in the evaluation and planning stage. There are still uncertainties and unpredictability in whether the submission will be made, the timing of submission, the length of the application period, and whether the application will be approved.
- ii. For WINKING's listing outside Taiwan, it is proposed to the shareholders' meeting of Acer Inc. to authorize its board of directors or person(s) authorized by the board of directors to adjust the execution depending on: the actual situation, the opinions of relevant government authorities and the laws and regulations of the listing place, listing rules, and market conditions. Besides, Acer Inc. will assist and urge AGM (if necessary) to handle the matters related to WINKING's listing outside Taiwan.

(7) Please discuss.

Resolution:

Item 3

Proposal: To Release Non-Compete Restrictions on Newly-Elected Directors and their Representatives (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Pursuant to Article 209 of the Company Act, a director engaging, either for himself or on behalf of another person, in activities that are within the scope of the company's business, shall explain to the Shareholders' Meeting the essential contents of such activities and obtain its approval for conducting such activities.
- (2) It is proposed to request the General Shareholders' Meeting to release the non-compete restrictions on newly-elected directors or their representatives, who participate in the operations of another company that engages in the same or similar business scope as the Company.
- (3) Please refer to Attachment 8, [pages 46 to 47](#), for the Concurrent Positions of Director and Independent Director Candidates.
- (4) Please discuss.

Resolution:

4. Extemporaneous Motion

5. Meeting Adjourned

Attachment 1

Business Report

Dear Shareholders,

Throughout 2022 we launched various innovative PC and display products, expanded our Vero portfolio made with recycled materials, and significantly grew our multiple non-PC/display businesses. The past Year continued to be filled with new challenges across multiple industries stemming from inflation, geopolitical issues, and lingering impacts of the Covid-19 pandemic. While Acer keeps evolving with changing lifestyles and adjusting strategies dynamically for business needs, we are focusing on maintaining business momentum and marching toward a more sustainable future.

Our fiscal 2022 results were: consolidated revenues of NT\$275.42 billion, operating income of NT\$6.93 billion, net income of NT\$5.00 billion, and EPS of NT\$1.67.

Continue to Innovate and Optimize Operations [1]

With the PC industry entering a period of correction and outlook expected to be flattish by market research companies as better scenario, we have centered our efforts on optimizing inventory levels with the right portfolio of goods, optimizing operating expenditure, increasing operating income to enhance operational sustainability, and at the same time upholding shareholders' interests. Newly launched innovations include the SpatialLabs stereoscopic 3D technology for gaming laptops and displays, which was praised for bringing more realistic experiences to games and media content. We also expanded our Vero line of eco-conscious devices from laptops to desktops, monitors, displays, all-in-ones, Chromebooks, and accessories, which utilizes recycled plastic, recyclable packaging, and ocean-bound plastic. The Vero portfolio offers consumers, businesses, and organizations more options to reduce their carbon footprint and join our advocate for circular economies.

We are confident that new technologies will trigger new usage models and stimulate market demand over time. Other businesses (not part of PCs and displays) contributed 21.7% of total revenues with 11.9% growth YoY. In addition, Acer ranked No. 2 for patent applications in Taiwan. We have developed patents in the AI medical field and own more than 300 patents in thermal cooling technology. For the world-renowned iF Design Awards, Acer holds the titles of "Top 50 (of 7128) Companies" worldwide during 2018-2022.

The common objective shared by our PCs and display businesses and other initiatives, is to explore new markets and broaden current boundaries. Within the Acer group, whether it be PC-related businesses or other fields and innovations being explored by our subsidiaries, each must work to optimize operations, reach profitability, and contribute to Acer group's sustainability.

Currently, we have subsidiaries in diverse scopes of business, including beverage, apparel, home appliances, AI-assisted medical solutions, e-mobility, smart cities, and more. Our strategy to promote intrapreneurship by building multiple business engines continued to gain momentum with nine public subsidiaries by December 2022. Businesses under incubation, such as Altos Computing and AcerPure, continue to show strong progress. Acer offers its shareholders the opportunity to invest in these new engines as they go public to ensure shareholders can have their share of voice and be part of business development and ensuring adherence to corporate governance.

Recognition of Our ESG Initiatives

Acer will continue to work toward the goals of using post-consumer recycled plastic in 20-30% of our PCs and displays by 2025, and sourcing 100% renewable electricity by 2035 for the Acer Group. Moreover, our “Earthion” sustainability platform that unites employees and supply chain partners to tackle environmental challenges continues to gain in strength. We held a “21-Day Green Challenge” for which over 7,000 employees of Acer, our partners and suppliers were motivated to reduce carbon footprints. The campaign succeeded in raising awareness for environmental protection and helping employees form green habits and cutting the equivalent of 152 tons CO₂.

Acer's focus on environmental, social and governance (ESG) through transparent reporting and initiatives under our Earthion mission has gained increasing global recognition. We believe they have been instrumental in our growing inclusion in world-wide sustainability indices throughout 2022. For the third straight Year, Acer has been named in the Top 5% category of the S&P Global Sustainability Yearbook for sustainable business practices. For the ninth consecutive Year, we have been a constituent of the MSCI ESG Leaders Indexes – garnering the best rating of “AAA” in our category – and listed on the Dow Jones Sustainability Indices (DJSI) Emerging Markets. For the first time, we were awarded Platinum medal that represents EcoVadis Sustainability Rating's highest recognition representing the top 1% of rated companies. We were also listed on the FTSE4Good Emerging Index for the seventh Year.

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

To counteract cyber security threats in the realms of artificial intelligence and cloud services, Acer will continue to strengthen its global information security and monitoring, and comply with international laws and regulations on information privacy and security. We will observe geopolitical and socioeconomic situations as well as the post-pandemic impact on demand, supply chain, and currency fluctuations to dynamically adjust business and operation strategies, including foreign exchange hedging to minimize risks, and optimize inventory levels.

In 2023, we foresee the PC industry to experience the impact of the post-pandemic demand decline in the coming months. However, with clear strategies for our existing businesses, new initiatives, and subsidiaries, along with the support of our customers, shareholders, and employees, we are confident of steering our way through the turbulence and proving our resilience. Let's continue to push boundaries. Thank you.

Chairman of Board :
Jason Chen

Corporate Officers :
Jason Chen
Meggy Chen

Accounting Officer :
Sophia Chen

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

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

Attachment 2

Audit Committee Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and the Proposal for Profit & Loss Appropriation. The CPA Huei-Chen Chang and Ching-Wen Kao from KPMG were retained to audit Acer's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for Profit & Loss Appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of Acer Incorporated in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Acer Incorporated

Convener of the Audit Committee: Ching-Hsiang Hsu

March 16th, 2023

[Additional Explanation] Communications between the Independent Directors and the Internal Auditors:

Except for reporting the internal audit performances to independent directors every month, the Company's Internal Auditing Officer may present the internal audit report in Audit Committee quarterly and will immediately report to the members of the Audit Committee if any special matter happens.

Attachment 3

The status of shareholders diversification of Acer subsidiaries' shares are planned to be listed on TWSE or TPEX

- Acer Gaming Inc. (6908.TW, "AGM")

Date	2021.9	2021.10
Purpose and Mode	To increase capital in cash for operation needs.	Purchased by recommended emerging market underwriter under relevant rules/ Sales and purchase of shares
Issue(Transfer)Price	NTD 18	NTD 32
Date of Audit Committee approved	2022.3.16	2022.8.4
Date of Board approved	2022.3.16	2022.8.4
Date of Shareholder meeting approved	-	-
Subscriber/Transferee	AGM employees, Acer shareholders, Acer Group Employees, the specific personnel who will subscribe within the scope that the afore-said person abandon to subscribe.(Note)	Recommended emerging market underwriters, and Securities and Futures Investors Protection Center
Number of shares	1,500,000 shares	751,000 shares
Acer's Shareholdings before share-release	100%	62.82%
Acer's Shareholdings after share-release	62.82%	59.81%
Bases of share price	CPA report to the share price	The price will be determined after the negotiation among recommended emerging market underwriters, Acer and AGM
Impact on Acer shareholders	Not harm to shareholders' rights and interests	Not harm to shareholders' rights and interests

Note: The specific subscriber will be, in general, the employees of subsidiaries which plan to be offered by public market, the employees of group companies, and a strategy investor or a financial investor who will benefit the Company's development.

Acer Gadget Inc. (2432.TW, "AGT")

Date	2022.7
Purpose and Mode	To conduct a cash capital increase for AGT's IPO plan and its working capital.
Issue(Transfer)Price	NTD 18
Date of Audit Committee approved	2022.5.5
Date of Board approved	2022.5.5
Date of Shareholder meeting approved	-
Subscriber/Transferee	AGT employees, Acer shareholders, Acer Group Employees, the specific personnel who will subscribe within the scope that the aforesaid person abandon to subscribe. (Note)
Number of shares	30,000,000 shares
Acer's Shareholdings before share-release	100%
Acer's Shareholdings after share-release	65.51%
Bases of share price	CPA report to the share price
Impact on Acer shareholders	Not harm to shareholders' rights and interests

Note: The specific subscriber will be, in general, the employees of subsidiaries which plan to be offered by public market, the employees of group companies, and a strategy investor or a financial investor who will benefit the Company's development.

Attachment 4

The Issuance of Unsecured Corporate Bonds

On March 16, 2022, the Company's Board of Directors resolved to authorize the Chairman to raise up to a total of NT\$10 billion by issuing unsecured corporate bonds in the domestic market, either in one or multiple times, subject to market conditions and with the principle that the bonds should have a maturity of no more than 10 Years. However, this plan was not executed after considering (1) the overall operating conditions of the Company, (2) the funds to support emerging businesses, planned listing subsidiaries and other investments shall still be sufficient, (3) the issuance of two sets of NT\$5 billion unsecured corporate bonds for a total of NT\$10 billion on April 27 and August 26, 2021, and (4) the changes in the international political and economic situation, the increase in market interest rates, and other uncertainties.

Nevertheless, after evaluation of the future funding needs for the overall operation of the Company, the changes in international political and economic situations, and the increase in capital costs, the Company still has the demand for fundraising. Therefore, the Company's Board of Directors passed a resolution to issue domestic unsecured corporate bonds in accordance with the relevant regulations of the Company Act, Securities Exchange Act, and Regulations Governing the Offering and Issuance of Securities by Securities Issuers on March 16, 2023. The main terms and conditions of the proposed issuance are as follows:

- (1) The total issue amount: No more than NT\$10,000,000,000 and issued at one time or separately
- (2) Issuance period: To be decided based on market condition, but no longer than 10 Years
- (3) Face value per bond: NT\$1,000,000
- (4) Issue price: At face value
- (5) Coupon rate: Fixed coupon rate, to be determined on market condition
- (6) Calculation and repayment of interest: From the issue date, interest will be paid once a year based on the coupon rate.
- (7) Repayment of Principal: Principal can be repaid in several installments or in a lump sum at maturity

Attachment 5

List of Director and Independent Director Candidates

Type	Name	Academic Background	Experience	All Current Position	Shareholdings (Note 1)
Director	Jason Chen (Acct. No: 0857788)	MS in Business Administration, Missouri Columbia University	Corporate President and CEO, Acer Inc. Senior Vice President of Worldwide Sales and Marketing, TSMC Vice President of Corporate Development, TSMC Vice President of Sales and Marketing, Intel	1. Chairman and CEO, Acer Inc. 2. Director, FocalTech Systems Co., Ltd. 3. Independent Director, Powerchip Semiconductor Manufacturing Corp 4. Chairman, Mu-Jin Investment Co., Ltd 5. Chairman, Mu-Shi Investment Co., Ltd. 6. Director, Supervisor or Manger, Acer Group	9,156,536 shares (Note 2)
Director	Hung Rouan Investment Corp. Legal Representative : Stan Shih (Acct. No.: 0005978)	MS in Electrical Engineering, National Chiao Tung University	Co-Founder, Chairman President and CEO, Acer Group	1. Honorary Chairman and Director, Acer Inc. 2. Director, Nan Shan Life Insurance Co., Ltd. 3. Director, Egis Technology Inc. 4. Director, AiSails Power Inc. 5. Director, TRANSFORMATIVE CELL PROCESSING CO., LTD. 6. Director, Himalayas Venture Capital Investment Inc. 7. Director, One Song Inc. 8. Director, Fort Zeelandia Inc. 9. Director, CTS Inc. 10. Director, Hung Rouan Investment Corp. 11. Chairman, Ambi Investment and Consulting Inc. 12. Director, Rongxin Management Consultants Co., Ltd. 13. Chairman, CLOUD GATE Foundation 14. Chairman, Stans Foundation 15. Director, Taiwan Public Television Service Foundation 16. Director, Chew's Culture Foundation 17. Director, NSFG Foundation 18. Director, SanCode Foundation 19. Chairman, Acer Foundation 20. Director, Supervisor or Manger, Acer Group	73,629,933 shares

Type	Name	Academic Background	Experience	All Current Position	Shareholdings (Note 1)
Director	Maverick Shih (Acct. No.: 0006933)	Ph.D. in Electrical Engineering, University of Southern California	Acer BYOC General Manager	1. Director, Acer Inc. 2. Director, Kiwi Technology Inc. 3. Chairman, SATORO TAIWAN INC. 4. Chairman, MAVs LAB. Inc. 5. Director, Allxon Inc. 6. Director, Rongxin Management Consultants Co., Ltd. 7. Director, Supervisor or Manager, Acer Group	10,141,777 shares
Independent Director	Ching-Hsiang Hsu (Charles Hsu) (Acct. No.: 0916903)	Ph.D. in Electrical Engineering, University of Illinois at Urban-Champaign	Chairman, Research Institute of Electronics Engineering, Tsing-Hua University Researcher, IBM T.J. Watson Research Center, State of New York, USA	1. Chairman, eMemory Technology Inc. 2. Chairman, iMQ Technology Inc. 3. Chairman and President, PUFsecurity Corp. 4. Chairman, PUFsecurity USA Corporation 5. Director, SecuX Technology Inc. 6. Independent Director, /Member of Remuneration Committee/ Member of Audit Committee, Materials Analysis Technology Inc. 7. Director, National Applied Research Laboratories, NARLabs 8. Independent Director/ Chairman of Audit Committee/ Member of Audit Committee/ Member of Investment Committee, Acer Inc. 9. Director, Powerchip Semiconductor Manufacturing Corp	0 shares
Independent Director	Yuri, Kure (Acct. No.: 1018823)	MS in Law, National Taiwan University	Lee and Li, Attorney-at-Law, Senior Associate-Japan Project Manager	Independent Director/ Member of Audit Committee/ Member of Investment Committee, Acer Inc.	0 shares
Independent Director	Pan-Chyr Yang (Acct. No.: 1128441)	PhD, Graduate Institute of Clinical Medicine, College of Medicine, National Taiwan University	President, National Taiwan University Dean, National Taiwan University College of Medicine Distinguished Professor and Chair Professor, National Taiwan University Director, NTUH National Clinical Trial and Research Center Associate Dean for Education and Research, National Taiwan University Hospital Director, Advisory Office, Ministry of Education, R.O.C. Adjunct Associate Researcher and Researcher, Institute of Biomedical Sciences, Academia Sinica	1. Director, Microbio Co., Ltd. 2. Professor, Department of Internal Medicine, National Taiwan University Hospital (From 1993) 3. Academician, Academia Sinica (From 2006) 4. Executive Secretary, NTU Center of Genomic Medicine 5. Program Director, Microarray Core Facility, National Research Program for Genomic Medicine 6. President, Taiwan Society of Pulmonary and Critical Care Medicine 7. Lung Cancer Program Co-Director with President Cheng-Wen Wu, National Research Program for Genomic Medicine 8. Clinical Professor, Department of Oncology, National Taiwan University 9. President, NTU YongLin Institute of Health	0 shares

Type	Name	Academic Background	Experience	All Current Position	Shareholdings (Note 1)
Independent Director	Mei-Yueh Ho (Acct. No.: 1128442)	Graduated from Technology Management Program of National Chengchi University B.S. in Agricultural Chemistry, National Taiwan University	Chairperson of the Council for Economic Planning and Development, R.O.C. Executive Yuan Minister without Portfolio Minister of Economic Affairs, R.O.C. Director of the Fifth Group, Secretariat of Executive Yuan Counselor, Executive Yuan Deputy Chairman of the Industrial Engineer Examination and Review Committee, Examination Yuan Deputy Director of the Industrial Development Bureau, Ministry of Economic Affairs	1. Independent Director, ASE Technology Holding Co., Ltd. 2. Independent Director, Center Laboratories Inc. 3. Director, Kinpo Electronics, Inc. 4. Independent Director, Onward Therapeutics SA	0 shares

Note 1: Shareholdings as of April 8, 2023.

Note 2: Including the shares of 6,523,056 which held by the investment company wholly owned by Mr. Jason Chen himself.

Attachment 6



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acer Incorporated and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), and interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the consolidated financial statements for the year ended December 31, 2022 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 returns and allowances, respectively, to the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Valuation of inventories

Refer to Note 4(h) for the accounting policies on inventory valuation, Note 5(b) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(f) for the details of the write-down of inventories, respectively, to the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Impairment of goodwill

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

Acer Incorporated has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Acer Incorporated and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Acer Incorporated and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Acer Incorporated and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Acer Incorporated and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Acer Incorporated and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Acer Incorporated and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Acer Incorporated and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huei-Chen Chang and Ching-Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)

March 16, 2023

Notes to Readers

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

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

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 46,842,902	25	44,619,541	21
1110	Financial assets measured at fair value through profit or loss— current (note 6(b))	935,122	1	3,222,868	2
1140	Contract assets—current (note 6(y))	523,881	-	451,354	-
1170	Notes and accounts receivable, net (notes 6(c) & (y))	51,322,037	27	64,039,437	30
1180	Accounts receivable from related parties (notes 6(c) & (y) and 7)	41,821	-	1,329	-
1200	Other receivables (notes 6(c) and 7)	441,720	-	505,914	-
1220	Current income tax assets	354,479	-	486,468	-
130X	Inventories (note 6(d))	42,213,077	22	58,703,827	27
1470	Other current assets (note 6(m) and 8)	3,981,986	2	3,064,500	1
	Total current assets	146,657,025	77	175,095,238	81
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(e) and 7)	7,603,961	4	7,806,702	4
1535	Financial assets measured at amortized cost—non-current (note 6(f))	797,782	-	-	-
1550	Investments accounted for using the equity method (note 6(g) and 7)	1,174,374	1	937,129	-
1600	Property, plant and equipment (notes 6(i) and 8)	4,298,887	2	4,055,870	2
1755	Right-of-use assets (note 6(j))	1,969,364	1	1,736,642	1
1760	Investment property (note 6(k))	831,925	1	819,591	-
1780	Intangible assets (note 6(l))	18,530,591	10	16,527,283	8
1840	Deferred income tax assets (notes 6(u))	3,705,388	2	3,671,634	2
1990	Other non-current assets (notes 6(m))	2,387,598	1	2,943,066	1
1980	Other financial assets—non-current (note 8)	1,082,824	1	1,195,156	1
	Total non-current assets	42,382,694	23	39,693,073	19
	Total assets	\$ 189,039,719	100	214,788,311	100

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Balance Sheets (Continued)****December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (notes 6(n) and 8)	\$ 1,652,086	1	1,253,590	1
2120	Financial liabilities measured at fair value through profit or loss— current (note 6(b) & (h))	1,015,407	-	291,917	-
2130	Contract liabilities—current (note 6(y))	2,985,415	2	2,455,504	1
2170	Notes and accounts payable (note 7)	31,549,698	17	57,897,697	27
2200	Other payables (notes 6(z) and 7)	35,449,182	19	37,249,145	17
2230	Current tax liabilities	3,247,082	2	5,205,928	2
2250	Provisions—current (notes 6(r) and 9)	6,916,990	3	6,401,659	3
2280	Lease liabilities—current (note 6(q))	613,263	-	530,564	-
2322	Current portion of long-term debt (notes 6(o) and 8)	58,017	-	20,106	-
2365	Refund liabilities—current	14,722,275	8	16,128,976	8
2399	Other current liabilities	1,314,317	1	1,987,969	1
	Total current liabilities	99,523,732	53	129,423,055	60
Non-current liabilities:					
2500	Financial liabilities measured at fair value through profit or loss— non-current (note 6(b) & (h))	4,850	-	3,066	-
2527	Contract liabilities—non-current (note 6(y))	829,346	-	1,002,391	-
2531	Bonds payable (notes 6(p))	10,000,000	5	10,000,000	5
2540	Long-term debt (notes 6(o) and 8)	104,476	-	99,820	-
2550	Provisions—non-current (note 6(r) and 9)	15,296	-	201,650	-
2570	Deferred income tax liabilities (notes 6(u))	5,025,255	3	4,643,830	2
2580	Lease liabilities—non-current (note 6(q))	1,495,786	1	1,320,713	1
2600	Other non-current liabilities	1,606,783	1	2,070,843	1
	Total non-current liabilities	19,081,792	10	19,342,313	9
	Total liabilities	118,605,524	63	148,765,368	69
Equity (note 6(e) and (v)):					
3110	Common stock	30,478,538	16	30,478,538	14
3200	Capital surplus	27,795,883	15	27,514,269	13
3300	Retained earnings	14,897,145	8	16,886,389	8
3400	Other equity	(4,309,253)	(2)	(8,287,624)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(1)
	Equity attributable to shareholders of the Parent	65,947,457	35	63,676,716	30
36XX	Non-controlling interests	4,486,738	2	2,346,227	1
	Total equity	70,434,195	37	66,022,943	31
	Total liabilities and equity	\$ 189,039,719	100	214,788,311	100

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Net revenue (notes 6(y), 7 and 14)	\$ 275,423,744	100	319,005,456	100
5000	Cost of revenue (notes 6(d), (i), (j), (l), (q),(r), (t) & (z), 7 and 12)	(245,679,257)	(89)	(281,814,400)	(88)
	Gross profit	29,744,487	11	37,191,056	12
	Operating expenses (notes 6(c), (i), (j), (k), (l), (q),(r),(s), (t), (w)&(z), 7 and 12):				
6100	Selling expenses	(15,679,457)	(5)	(15,492,033)	(5)
6200	General and administrative expenses	(4,826,563)	(2)	(5,002,271)	(2)
6300	Research and development expenses	(2,448,843)	(1)	(2,646,170)	(1)
	Total operating expenses	(22,954,863)	(8)	(23,140,474)	(8)
6500	Other operating income and expenses, net (notes 6(s)&(aa) and 7)	138,073	-	112,279	-
	Operating income	6,927,697	3	14,162,861	4
	Non-operating income and loss:				
7100	Interest income (note 6(ab))	535,746	-	318,945	-
7010	Other income (note 6(ab))	556,176	-	354,416	-
7020	Other gains and losses (notes 6(g),(ab)&(ac) and 7)	(72,937)	-	867,673	-
7050	Finance costs (notes 6(q) & (ab))	(193,684)	-	(336,677)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(g))	120,823	-	68,427	-
	Total non-operating income and loss	946,124	-	1,272,784	-
7900	Income before taxes	7,873,821	3	15,435,645	4
7950	Income tax expense (note 6(u))	(2,270,529)	(1)	(4,148,332)	(1)
	Net income	5,603,292	2	11,287,313	3
	Other comprehensive income (loss) (notes 6(g), (v), (ac)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	587,280	-	(37,137)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(1,221,882)	-	(358,717)	-
8320	Share of other comprehensive income (loss) of associates	(13)	-	17	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(34,430)	-	39,131	-
	Total items that will not be reclassified to profit or loss	(669,045)	-	(356,706)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	4,596,636	1	(2,788,067)	(1)
8370	Share of other comprehensive gains of associates	234	-	2,166	-
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	4,596,870	1	(2,785,901)	(1)
	Other comprehensive income (loss), net of taxes	3,927,825	1	(3,142,607)	(1)
	Total comprehensive income for the year	\$ 9,531,117	3	8,144,706	2
	Net income attributable to:				
8610	Shareholders of the Parent	\$ 5,003,688	2	10,897,427	3
8620	Non-controlling interests	599,604	-	389,886	-
		\$ 5,603,292	2	11,287,313	3
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	\$ 8,930,204	3	7,818,893	2
8720	Non-controlling interests	600,913	-	325,813	-
		\$ 9,531,117	3	8,144,706	2
	Earnings per share (in New Taiwan dollars) (note 6(x)):				
9750	Basic earnings per share	\$ 1.67		3.63	
9850	Diluted earnings per share	\$ 1.65		3.60	

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 nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent										Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
	Retained earnings					Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Treasury stock			
Balance at January 1, 2021													
Net income for the year	\$ 30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,897,427	(6,043,227)	768,602	(242,887)	(5,517,452)	(2,914,856)	389,886	61,941,964
Other comprehensive income (loss) for the year	-	-	-	-	10,897,427	10,897,427	-	(324,225)	11,917	(3,078,534)	(2,914,856)	1,648,633	11,287,313
Total comprehensive income (loss) for the year	-	-	-	-	-	10,897,427	(2,766,226)	(324,225)	11,917	(3,078,534)	-	(3,078,534)	(3,142,607)
Appropriation approved by the stockholders:	-	-	-	-	10,897,427	10,897,427	-	-	-	-	-	7,818,893	8,144,706
Legal reserve	-	-	602,575	-	(602,575)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	857,485	(857,485)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119	70,119
Share of changes in equity of associates	-	(24,908)	-	-	-	-	-	-	-	-	-	(24,908)	(24,908)
Change in ownership interests in subsidiaries	-	60,105	-	-	-	-	3,856	(6,544)	2,760	72	-	60,177	(60,177)
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiary as acquired or disposed	-	29,880	-	-	-	-	-	-	-	-	-	29,880	(29,880)
Stock option compensation cost of subsidiaries	-	1,005	-	-	-	-	-	-	-	-	-	699	1,704
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021													
Net income for the year	\$ 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)	(8,387,624)	(2,914,856)	599,604	66,022,942
Other comprehensive income (loss) for the year	-	-	-	-	5,003,688	5,003,688	-	(1,204,929)	535,617	3,926,516	-	1,309	3,927,825
Total comprehensive income (loss) for the year	-	-	-	-	-	5,003,688	4,595,828	(1,204,929)	535,617	3,926,516	-	600,913	9,531,117
Appropriation approved by the stockholders:	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	-	-
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)	(2,746)
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiary as acquired or disposed	-	-	-	-	-	-	-	-	-	-	-	-	-
Organizational restructuring under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	12,345	(12,345)
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,083	(2,083)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022													
Common stock	\$ 30,478,538	27,795,883	2,515,341	7,398,192	4,983,612	14,897,145	(4,219,963)	(409,726)	320,376	(4,409,253)	(2,914,856)	65,947,467	70,434,195

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 7,873,821	15,435,645
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,016,650	1,022,560
Amortization	674,048	492,670
Net loss (gain) on financial assets measured at fair value through profit or loss	37,445	(30,094)
Effects of exchange rate changes of financial assets measured at amortized cost	(57,817)	-
Interest expense	193,684	336,677
Interest income	(535,746)	(318,945)
Dividend income	(556,176)	(354,416)
Share-based compensation cost	20,757	1,704
Share of profit of associates and joint ventures	(120,823)	(68,427)
Net gain on disposal of investments accounted for using the equity method	(8,121)	(47,815)
Loss on disposal of equipment and intangible assets	9,559	8,252
Property, plant and equipment reclassified to expenses	-	917
Net gain on disposal of investment property	-	(1,141)
Impairment loss on non-financial assets	7,503	-
Reversal of impairment loss on non-financial assets	(30,048)	-
Net loss (gain) on liquidation of subsidiaries and other profits from investments	2,566	(3,068)
Total adjustments for profit or loss	<u>653,481</u>	<u>1,038,874</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	1,268,942	(1,744,184)
Contract assets	18,835	63,015
Notes and accounts receivable	12,910,775	(8,283,499)
Receivables from related parties	(40,492)	30,990
Inventories	16,491,929	(15,317,842)
Other receivables and other current assets	147,075	268,860
Other non-current assets	150,924	(16,406)
Changes in operating assets	<u>30,947,988</u>	<u>(24,999,066)</u>
Changes in operating liabilities:		
Contract liabilities	352,660	198,239
Notes and accounts payable	(26,389,589)	8,138,491
Other payables and other current liabilities	(2,705,802)	7,158,143
Provisions	328,977	622,044
Refund liabilities	(1,406,701)	1,052,018
Other non-current liabilities	88,790	(11,505)
Changes in operating liabilities	<u>(29,731,665)</u>	<u>17,157,430</u>
Cash provided by operations	9,743,625	8,632,883
Interest received	517,270	318,103
Income taxes paid	(4,326,459)	(2,453,171)
Net cash flows provided by operating activities	<u>5,934,436</u>	<u>6,497,815</u>

(Continued)

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

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Statements of Cash Flows (Continued)****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(978,681)	(2,234,039)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	-	178,648
Proceeds from capital reduction and liquidation of financial assets measured at fair value through other comprehensive income	-	2,845
Acquisition of financial assets measured at amortized cost	(739,775)	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	1,943,356	2,849,874
Acquisition of investments accounted for using the equity method	(150,125)	-
Proceeds from disposal of investments accounted for using equity method	21,136	-
Additions to property, plant and equipment and investment property	(475,429)	(552,937)
Proceeds from disposal of property, plant and equipment and intangible assets	32,342	10,260
Proceeds from disposal of investment property	-	18,497
Additions to intangible assets	(395,832)	(373,199)
Payment of contingent consideration arising from business combination	(37,534)	-
Net cash flow from disposal of subsidiaries and other investments	-	2,872
Net cash inflow (outflow) from acquisition of subsidiaries	(418,436)	154,958
Increase in assets recognized from costs to fulfill contracts with customers	(356,804)	(364,440)
Decrease (increase) in other non-current financial assets	28,258	(130,914)
Dividends received	624,495	416,584
Net cash flows used in investing activities	(903,029)	(20,991)
Cash flows from financing activities:		
Increase in short-term borrowings	9,800,722	3,070,574
Decrease in short-term borrowings	(9,434,416)	(3,664,124)
Proceeds from issuing bonds	-	10,000,000
Increase in long-term debt	72,355	64,510
Repayment of long-term debt	(34,561)	(3,349,490)
Payment of lease liabilities	(652,218)	(679,795)
Cash dividends	(6,841,809)	(4,501,662)
Cash dividends paid to non-controlling interests by subsidiaries	(207,441)	(141,671)
Issuance of common stock by subsidiaries not subscribed by the Group	1,616,281	337,722
Acquisition of interests in subsidiaries	(21,930)	(22,736)
Proceeds from disposal of interests in subsidiaries (without losing control)	44,916	75,768
Interest paid	(181,155)	(294,441)
Net cash flows (used in) provided by financing activities	(5,839,256)	894,655
Effect of foreign exchange rate changes	3,031,210	(1,932,961)
Net increase in cash and cash equivalents	2,223,361	5,438,518
Cash and cash equivalents at beginning of period	44,619,541	39,181,023
Cash and cash equivalents at end of period	\$ 46,842,902	44,619,541

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the parent-company-only financial statements of Acer Incorporated (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2022 and 2021, and the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant 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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 requirement. 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, 2022 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 returns and 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 and returns based on business practice is subject to management's judgment, which involves significant uncertainty. Consequently, the revenue recognition and accrual of sales allowances and returns 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 and returns, including the reasonableness of key assumptions; and inspecting the historical payments of sales allowances and returns to evaluate the reasonableness of the sales allowances and returns 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(g) 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 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 Huei-Chen Chang and Ching-Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)

March 16, 2023

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 Originally Issued in Chinese)

ACER INCORPORATED**Parent-Company-Only Balance Sheets****December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 16,424,913	12	20,564,678	13
1110	Financial assets measured at fair value through profit or loss—current (note 6(b))	125,665	-	443,248	-
1170	Notes and accounts receivable, net (notes 6(e) & (u))	3,569,975	3	6,335,764	4
1180	Notes and accounts receivable from related parties (notes 6(e) & (u) and 7)	12,743,460	9	37,518,525	23
1200	Other receivables, net (note 6(f))	152,614	-	263,174	-
1210	Other receivables from related parties (notes 6(f) and 7)	1,049,499	1	664,582	-
130X	Inventories (note 6(g))	12,515,946	9	16,213,599	10
1470	Other current assets	<u>306,649</u>	<u>-</u>	<u>245,025</u>	<u>-</u>
	Total current assets	<u>46,888,721</u>	<u>34</u>	<u>82,248,595</u>	<u>50</u>
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(c))	6,465,744	5	6,690,542	4
1536	Financial assets measured at amortized cost—non-current (note 6(d))	797,782	1	-	-
1550	Investments accounted for using the equity method (note 6(h))	77,041,422	56	67,951,695	42
1600	Property, plant and equipment (note 6(i))	1,754,509	1	1,740,178	1
1755	Right-of-use assets (note 6(j))	120,214	-	76,756	-
1760	Investment property (note 6(k))	824,318	1	811,781	1
1780	Intangible assets (note 6(l))	179,677	-	175,814	-
1840	Deferred income tax assets (note 6(r))	3,082,794	2	3,100,650	2
1900	Other non-current assets	46,457	-	40,261	-
1980	Other financial assets—non-current (note 8)	<u>148,466</u>	<u>-</u>	<u>160,566</u>	<u>-</u>
	Total non-current assets	<u>90,461,383</u>	<u>66</u>	<u>80,748,243</u>	<u>50</u>
	Total assets	<u><u>\$ 137,350,104</u></u>	<u><u>100</u></u>	<u><u>162,996,838</u></u>	<u><u>100</u></u>

(Continued)

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

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

ACER INCORPORATED

Parent-Company-Only Balance Sheets (Continued)

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2120	Financial liabilities measured at fair value through profit or loss — current (note 6(b))	\$ 714,504	1	145,969	-
2130	Contract liabilities — current (note 6(u))	8,809	-	9,512	-
2170	Notes and accounts payable	21,099,402	15	47,977,844	30
2180	Accounts payable to related parties (note 7)	758,286	1	628,865	-
2200	Other payables (note 6(v))	24,676,398	18	26,560,173	17
2220	Other payables to related parties (note 7)	2,895,984	2	518,175	-
2250	Provisions — current (note 6(o) and 9)	1,011,266	1	834,725	1
2230	Current tax liabilities	1,891,249	1	3,502,017	2
2280	Lease liabilities — current (note 6(n))	63,209	-	43,432	-
2365	Refund liabilities — current	2,781,608	2	3,636,287	2
2399	Other current liabilities	<u>276,737</u>	<u>-</u>	<u>434,939</u>	<u>-</u>
	Total current liabilities	<u>56,177,452</u>	<u>41</u>	<u>84,291,938</u>	<u>52</u>
Non-current liabilities:					
2530	Bonds payable (note 6(m))	10,000,000	7	10,000,000	6
2570	Deferred income tax liabilities (note 6(r))	4,530,059	4	4,234,394	3
2580	Lease liabilities — non-current (note 6(n))	57,923	-	33,810	-
2600	Other non-current liabilities (note 6(q))	624,079	-	745,386	-
2622	Long-term payable to related parties (note 7)	<u>13,134</u>	<u>-</u>	<u>14,594</u>	<u>-</u>
	Total non-current liabilities	<u>15,225,195</u>	<u>11</u>	<u>15,028,184</u>	<u>9</u>
	Total liabilities	<u>71,402,647</u>	<u>52</u>	<u>99,320,122</u>	<u>61</u>
Equity (note 6(c)&(s)):					
3110	Common stock	30,478,538	22	30,478,538	19
3200	Capital surplus	27,795,883	20	27,514,269	17
3300	Retained earnings	14,897,145	11	16,886,389	10
3400	Other equity	(4,309,253)	(3)	(8,287,624)	(5)
3500	Treasury stock	<u>(2,914,856)</u>	<u>(2)</u>	<u>(2,914,856)</u>	<u>(2)</u>
	Total equity	<u>65,947,457</u>	<u>48</u>	<u>63,676,716</u>	<u>39</u>
	Total liabilities and equity	<u>\$ 137,350,104</u>	<u>100</u>	<u>162,996,838</u>	<u>100</u>

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Net revenue (notes 6(u) and 7)	\$ 169,284,764	100	246,828,456	100
5000	Cost of revenue (notes 6(g) & (o) and 7)	(159,192,798)	(94)	(231,450,073)	(94)
	Gross profit	10,091,966	6	15,378,383	6
5920	Realized (unrealized) profit or loss on sales to subsidiaries, associates and joint ventures	40,330	-	(45,415)	-
	Realized gross profit	10,132,296	6	15,332,968	6
	Operating expenses (notes 6(e), (i), (j), (k), (l), (n), (o), (p), (q) & (v), 7 and 12):				
6100	Selling expenses	(2,772,572)	(1)	(3,325,745)	(1)
6200	General and administrative expenses	(1,283,169)	(1)	(1,459,183)	(1)
6300	Research and development expenses	(1,991,463)	(1)	(2,204,357)	(1)
	Total operating expenses	(6,047,204)	(3)	(6,989,285)	(3)
6500	Other operating income and expenses, net (notes 6(p) & (w) and 7)	132,051	-	161,174	-
	Operating income	4,217,143	3	8,504,857	3
	Non-operating income and loss:				
7100	Interest income (notes 6(x) and 7)	74,621	-	42,434	-
7010	Other income (note 6(x))	519,988	-	287,772	-
7020	Other gains and losses (notes 6(x) and 7)	(59,447)	-	(33,924)	-
7050	Finance costs (notes 6(n) & (x) and 7)	(113,533)	-	(51,662)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(h))	1,721,078	1	4,953,384	2
	Total non-operating income and loss	2,142,707	1	5,198,004	2
	Income before taxes	6,359,850	4	13,702,861	5
7950	Income tax expenses (note 6(r))	(1,356,162)	(1)	(2,805,434)	(1)
	Net Income	5,003,688	3	10,897,427	4
	Other comprehensive income (loss) (notes 6(h), (q), (r)&(s)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	89,278	-	(157,368)	-
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	(1,127,724)	(1)	(83,057)	-
8330	Share of other comprehensive income (losses) of subsidiaries and associates	386,990	-	(103,357)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(17,856)	-	31,474	-
	Total items that will not be reclassified subsequently to profit or loss	(669,312)	(1)	(312,308)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	4,595,828	3	(2,766,226)	(1)
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	4,595,828	3	(2,766,226)	(1)
	Other comprehensive income (loss), net of taxes	3,926,516	2	(3,078,534)	(1)
	Total comprehensive income for the year	\$ 8,930,204	5	7,818,893	3
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	\$ 1.67		3.63	
9850	Diluted earnings per share	\$ 1.65		3.60	

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity			
					Unrealized gain (loss) from financial assets measured at fair value	through other comprehensive income	Remeasurements of defined benefit plans	Treasury stock
Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Foreign currency translation differences		Total	Total equity
\$								
Balance at January 1, 2021								
Net income for the year	27,378,068	853,852	3,976,265	6,038,916	10,869,033	10,897,427	10,897,427	60,293,331
Other comprehensive income (loss) for the year	-	-	-	-	(6,043,227)	768,662	(5,517,452)	10,897,427
Total comprehensive income (loss) for the year	-	-	-	-	(2,766,226)	(324,225)	(3,078,534)	(3,078,534)
Appropriation approved by the stockholders:								
Legal reserve	-	-	-	10,897,427	(2,766,226)	(324,225)	(3,078,534)	7,818,892
Special reserve	-	602,575	-	(602,575)	-	-	-	-
Cash dividends	-	-	857,485	(857,485)	-	-	-	-
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	-	-	(4,571,781)	(4,571,781)	-	-	(4,571,781)
Share of changes in equity of associates	70,119	-	-	-	-	-	-	70,119
Changes in ownership interests in subsidiaries	(24,908)	-	-	-	-	-	-	(24,908)
Difference between consideration and carrying amount of subsidiaries disposed	60,105	-	-	-	3,856	(6,544)	72	60,177
Stock option compensation cost of subsidiaries	29,880	-	-	-	-	-	-	29,880
Disposal of financial assets measured at fair value through other comprehensive income by the company	1,005	-	-	-	-	-	-	1,005
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	40,230	-	(40,230)	(40,230)	-
Balance at December 31, 2021	27,514,269	1,456,427	4,833,750	(348,520)	(348,520)	348,520	348,520	63,676,716
Net income for the year	-	-	-	10,596,212	(8,805,597)	746,183	(8,287,624)	5,003,688
Other comprehensive income (loss) for the year	-	-	-	5,003,688	4,595,828	(1,204,929)	3,926,516	3,926,516
Total comprehensive income (loss) for the year	-	-	-	-	4,595,828	(1,204,929)	3,391,617	8,930,204
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)
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	12,394	166,459
Difference between consideration and carrying amount of subsidiaries acquired or disposed	12,345	-	-	-	-	-	-	12,345
Organization of subsidiaries	8,302	-	-	-	(11,702)	-	(6,219)	2,083
Liquidation of subsidiaries	-	-	-	-	1,855	-	1,855	1,855
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	-
Balance at December 31, 2022	27,795,883	2,515,341	7,398,192	4,983,612	(42,19,903)	(409,726)	(4,309,253)	65,947,457

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, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 6,359,850	13,702,861
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	144,017	140,120
Amortization	23,271	24,593
Net (gain) loss on financial assets measured at fair value through profit or loss	(907)	406
Effects of exchange rate changes in financial assets measured at amortized cost	(57,817)	-
Interest expense	113,533	51,662
Interest income	(74,621)	(42,434)
Dividend income	(519,988)	(287,772)
Share of profits of subsidiaries, associates and joint ventures	(1,721,078)	(4,953,384)
Gain on disposal of equipment and intangible assets	(670)	(657)
Loss on liquidation of subsidiaries	2,301	-
Property, Plant and equipment reclassified to expenses	-	917
Unrealized (realized) profit on sales to subsidiaries, associates and joint ventures	(40,330)	45,415
Other profits from investment	-	(196)
Total adjustments for profit or loss	<u>(2,132,289)</u>	<u>(5,021,330)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	887,025	(1,084,932)
Contract assets	-	250
Notes and accounts receivable	2,765,789	(425,105)
Notes and accounts receivable from related parties	24,775,065	(12,922,567)
Inventories	3,687,416	(2,563,051)
Other receivables and other current assets	101,854	(70,225)
Changes in operating assets	<u>32,217,149</u>	<u>(17,065,630)</u>
Changes in operating liabilities:		
Notes and accounts payable	(26,878,442)	6,028,200
Payables to related parties	2,732,230	159,923
Refund liabilities	(854,679)	(14,624)
Other payables and other current liabilities	(2,041,977)	8,119,742
Provisions	176,541	92,572
Contract liabilities	(703)	(69,619)
Other non-current liabilities and long-term payables to related parties	(33,488)	(24,630)
Changes in operating liabilities	<u>(26,900,518)</u>	<u>14,291,564</u>
Cash provided by operations	9,544,192	5,907,465
Interest received	66,508	42,317
Income taxes paid	(2,716,260)	(1,065,249)
Net cash provided by operating activities	<u>6,894,440</u>	<u>4,884,533</u>

(Continued)

(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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(902,926)	(2,175,540)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	-	107,703
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	-	2,845
Acquisition of financial assets measured at amortized cost	(739,775)	-
Additions to investments accounted for using the equity method	(3,001,210)	(113,655)
Proceeds from disposal of investments accounted for using the equity method	509,697	66,165
Proceeds from capital return of investments accounted for using the equity method	11,044	-
Additions to property, plant and equipment and investment property	(76,739)	(40,378)
Proceeds from disposal of equipment and intangible assets	670	895
Increase in receivables from related parties	(423,010)	(412,338)
Additions to intangible assets	(25,960)	(7,810)
Increase in assets recognized from costs to fulfill contracts with customers	-	(2,438)
Increase (decrease) in other financial assets and other non-current assets	4,732	(59,894)
Dividends received	980,389	560,248
Net cash flows used in investing activities	<u>(3,663,088)</u>	<u>(2,074,197)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	5,077,804	5,233,942
Decrease in short-term borrowings	(5,077,804)	(5,233,942)
Proceeds from issuing bonds	-	10,000,000
Repayment of long-term debt	-	(3,300,000)
Payment of lease liabilities	(83,477)	(77,024)
Decrease in loans from related parties	(225,000)	(280,000)
Cash dividends	(6,949,107)	(4,571,781)
Interest paid	(113,533)	(16,677)
Net cash flows provided by (used in) financing activities	<u>(7,371,117)</u>	<u>1,754,518</u>
Net increase in cash and cash equivalents	<u>(4,139,765)</u>	<u>4,564,854</u>
Cash and cash equivalents at beginning of period	<u>20,564,678</u>	<u>15,999,824</u>
Cash and cash equivalents at end of period	<u><u>\$ 16,424,913</u></u>	<u><u>20,564,678</u></u>

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

Attachment 7

Acer Incorporated 2022 Statement of Profit & Loss Appropriation

	Unit: NT\$
Beginning Balance of Un-appropriated Retained Earnings	23,748,872
Plus: 2022 Net Income after Tax	5,003,688,277
Deduct: the disposal loss of financial assets at fair value through other comprehensive income	(43,825,321)
Deduct: Legal Reserve	(495,986,296)
Plus: Special Reserve	84,251,128
Accumulative earnings available for appropriation	4,571,876,660
Appropriation Items:	
Cash dividends to shareholders ^(Note)	(4,571,780,742)
Ending Balance of Un-appropriated Retained Earnings	95,918

Note: Cash dividends were approved by Board of Directors and shall be reported in Shareholders' Meetings.

Chairman of Board:
Jason Chen

Corporate Officers:
Jason Chen
Meggy Chen

Accounting Officer:
Sophia Chen

Attachment 8

Concurrent Positions of Director and Independent Director Candidates

Type	Name	All Current Position (Note)
Director	Jason Chen	1. Director, FocalTech Systems Co., Ltd. 2. Independent Director, Powerchip Semiconductor Manufacturing Corp 3. Chairman, Mu-Jin Investment Co., Ltd (*) 4. Chairman, Mu-Shi Investment Co., Ltd. (*) 5. Director, Supervisor or Manger, Acer Group
Director	Hung Rouan Investment Corp. Legal Representative : Stan Shih	1. Director, Nan Shan Life Insurance Co., Ltd. 2. Director, Egis Technology Inc. 3. Director, AiSails Power Inc. (*) 4. Director, TRANSFORMATIVE CELL PROCESSING CO., LTD. (*) 5. Director, Himalayas Venture Capital Investment Inc. (*) 6. Director, One Song Inc. (*) 7. Director, Fort Zeelandia Inc. (*) 8. Director, CTS Inc. (*) 9. Director, Hung Rouan Investment Corp. (*) 10. Chairman, Ambi Investment and Consulting Inc. (*) 11. Director, Rongxin Management Consultants Co., Ltd. (*) 12. Chairman, CLOUD GATE Foundation (*) 13. Chairman, Stans Foundation (*) 14. Director, Taiwan Public Television Service Foundation (*) 15. Director, Chew's Culture Foundation (*) 16. Director, NSFG Foundation (*) 17. Director, SanCode Foundation (*) 18. Chairman, Acer Foundation (*) 19. Director, Supervisor or Manger, Acer Group
Director	Maverick Shih	1. Director, Kiwi Technology Inc. 2. Chairman, SATORO TAIWAN INC. (*) 3. Chairman, MAVs LAB. Inc. (*) 4. Director, Allxon Inc. (*) 5. Director, Rongxin Management Consultants Co., Ltd. (*) 6. Director, Supervisor or Manger, Acer Group
Independent Director	Ching-Hsiang Hsu	1. Chairman, eMemory Technology Inc. 2. Independent Director, /Member of Remuneration Committee/ Member of Audit Committee, Materials Analysis Technology Inc. 3. Director, Powerchip Semiconductor Manufacturing Corp 4. Chairman, iMQ Technology Inc. (*) 5. Chairman and President, PUFsecurity Corp. (*) 6. Chairman, PUFsecurity USA Corporation (*) 7. Director, SecuX Technology Inc. (*) 8. Director, National Applied Research Laboratories, NARLabs (*)

Type	Name	All Current Position (Note)
Independent Director	Yuri, Kure	None
Independent Director	Pan-Chyr Yang	1. Director, Microbio Co., Ltd. 2. Professor, Department of Internal Medicine, National Taiwan University Hospital (*) 3. Academician, Academia Sinica (*) 4. Executive Secretary, NTU Center of Genomic Medicine (*) 5. Program Director, Microarray Core Facility, National Research Program for Genomic Medicine (*) 6. President, Taiwan Society of Pulmonary and Critical Care Medicine (*) 7. Lung Cancer Program Co-Director with President Cheng-Wen Wu, National Research Program for Genomic Medicine (*) 8. Clinical Professor, Department of Oncology, National Taiwan University (*) 9. President, NTU YongLin Institute of Health (*)
Independent Director	Mei-Yueh Ho	1. Independent Director, ASE Technology Holding Co., Ltd. 2. Independent Director, Center Laboratories Inc. 3. Director, Kinpo Electronics, Inc. 4. Independent Director, Onward Therapeutics SA (*)

Note: The mark of (*) refers to Non-Publicly Traded Company

Appendix 1

Acer Incorporated Articles of Incorporation

CHAPTER I – GENERAL PROVISIONS

- Article 1 This Company shall be incorporated in accordance with the Company Law, and its name shall be 宏碁股份有限公司 in the Chinese language, and Acer Incorporated in the English language.
- Article 2 The scope of business of this Company shall include the following:
- (1) F113050 Wholesale of Computing and Business Machinery Equipment
 - (2) F213030 Retail Sale of Computing and Business Machinery Equipment;
 - (3) F118010 Wholesale of Computer Software;
 - (4) I301010 Software Design Services;
 - (5) I301020 Data Processing Services;
 - (6) G902011 Type II Telecommunications Enterprise;
 - (7) F401010 International Trade;
 - (8) JA02010 Electric Appliance and Audiovisual Electric Products Repair Shops
 - (9) JE01010 Rental and Leasing Business;
 - (10) CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
 - (11) CC01070 Telecommunication Equipment and Apparatus Manufacturing;
 - (12) CC01110 Computers and Computing Peripheral Equipment Manufacturing
 - (13) CD01060 Aircraft and Parts Manufacturing;
 - (14) E701030 Restrained Telecom Radio Frequency Equipment and Materials Construction;
 - (15) F113070 Wholesale of Telecom Instruments;
 - (16) IZ13010 Internet Identify Services;
 - (17) F108031 Wholesale of Drugs, Medical Goods;
 - (18) F208031 Retail Sale of Medical Equipments;
 - (19) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 This Company may, for its business operations or other investment matters, make endorsements or issue guarantees.
- Article 4 The total amount of investment made by this Company shall be exempt from the restriction under Article 13 of the Company Law.
- Article 5 The headquarters of this Company shall be located in Taipei City, Taiwan, R.O.C. If the Company considers it necessary, it may, by a resolution adopted at a meeting by the board of directors, set up branch offices in Taiwan or abroad.

CHAPTER II – CAPITAL STOCK

- Article 6** The total amount of this Company capital stock is NT\$ forty (40) billion divided into 4 billion shares at par value of NT\$10 per share, within which the board of directors is authorized to issue shares in installments. NT\$ two and half billion of the aforesaid total capital stock, divided into 250 million shares each at a par value of NT\$10, is reserved for exercising stock options.
- Article 6-1** When this Company issues employee stock options, transfers treasury stock to employees, issues new shares reserved for subscription by employees, and issues restricted stock for employees, the employees of subsidiaries of this Company may be included. Qualification requirements of the employees who are entitled to receive it may be set and specified by the Board of Director.
- To issue employee stock options that the exercise price may be lower than the closing price of this Company stocks as of the issue date, this Company must have obtained the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.
- To transfer shares to employees at less than the average actual repurchase price, this Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.
- Article 7** The Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with a centralized securities depository institution in accordance with relevant regulations and rules requested by that institution.
- Article 8** All matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by law.

CHAPTER III – SHAREHOLDERS' MEETINGS

- Article 9** Shareholders' meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal Year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.
- The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, and the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.
- Article 10** Where a shareholder is unable to attend a meeting; such shareholder may appoint a proxy by using the proxy form, which shall specify the scope of proxy and be signed and sealed by the shareholder. Where one person has been appointed to act as proxy for more than two shareholders, unless such person is engaged in the trust business, the votes exercised by such person which exceeding three percent (3%) of all the issued and outstanding capital stock of this Company shall not be counted.
- The above-mentioned proxies shall be made pursuant to the requirements of the competent authority in charge of securities affairs, and delivered to this Company five (5) days before the shareholders' meeting. In such a case, only the proxy received earlier shall be effective.
- Article 11** Except as otherwise provided by the Company Law, a resolution may be adopted by the holders of a simple majority of the votes of the issued and outstanding capital stock represented at a shareholders' meeting at which the holders of a majority of issued and outstanding capital stock are present.

CHAPTER IV – DIRECTORS AND COMMITTEE

- Article 12** This Company shall have seven (7) ~ eleven (11) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system. The term of office for directors and supervisors shall be three (3) Years. The directors are eligible for re-election. The total capital stock held by all directors shall not be less than the percentage provided by the competent authority. The Company may buy the Responsibility Insurance for the Directors who have to be responsible for the damages caused by their duties.
- The Company shall establish three (3) or more independent directors to be included in the number of directors designated in the preceding paragraph. The elections for independent directors shall proceed with the candidate nomination system; the shareholders shall elect independent directors from among the nominees listed in the roster of independent director candidates.
- Article 12-1** The Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the ROC Company Law, Securities and Exchange Act and other relevant laws and regulations.
- Article 13** The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The chairman of the Board of Directors shall represent this Company in external matters. The Board of Directors shall place any kinds of committee includes and so on.
- The meeting of the Board of Directors shall be convened in accordance with the Company Law and relevant regulations of competent authority; the notice of the meeting may be made by electronic mail or facsimile transmission.
- Article 14** The board of directors shall have the following authority:
- (1) To audit and supervise annual operation plan,
 - (2) To determine the budget and review final accounts,
 - (3) To propose earnings appropriation or make up for loss,
 - (4) To propose increase or decrease capital plan,
 - (5) To consider significant capital expenditure plans,
 - (6) To establish branch offices or terminate branch offices,
 - (7) To propose and discuss amendments to the Articles of Incorporation,
 - (8) To decide important contracts or other important matters,
 - (9) To decide whether to invest in other business or whether to dispose of shares of investment business,
 - (10) To review the major dealings between the Company its related partners (including affiliated companies),
 - (11) To appoint or remove the president and/or the vice president,
 - (12) To dispose of or purchase important property and approve the bylaws, and
 - (13) Other authorities granted by shareholders or in accordance with the law.
- Article 15** Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Law. Where a director is unable to attend the meeting of the board of directors, he may appoint another director as his proxy to attend the meeting by issuing a letter of proxy. Each director can act as a proxy for only one other director.

- Article 16** Unless otherwise provided for in the Company Law, resolutions of the board of directors shall be adopted by one-half of the directors at a meeting attended by one-half of the directors.
- Article 16-1** The Board of Directors is authorized to determine the compensation recommended by the Remuneration Committee for the directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas, no matter whether the Company has profit or suffered loss.
- Where there is profit in each fiscal Year, after covering the accumulated losses, not more than eight thousandths (8‰) of the profit shall be distributed as remuneration of directors; the standard for distribution of remuneration will be recommended by Remuneration Committee and determined by the Board of Directors.

CHAPTER V – MANAGERS

- Article 17** This Company may have one CEO, several presidents and vice presidents. The appointment, removal, and compensation of the president and vice presidents shall be made in accordance with Article 29 of the Company Law.

CHAPTER VI – ACCOUNTING

- Article 18** At the end of each business fiscal Year, the following reports shall be prepared by the board of directors, and shall be submitted to the shareholders' meeting for approval:
1. Business Report;
 2. Financial Report;
 3. Proposal of Appropriation of Net Profit or the Covering of Losses.
- Article 19** As the industry prosperity and the trends rapidly changed, the dividends strategy of the Company depends on Yearly earnings and external environments, therefore, cash dividends of this Company shall be distributed at least ten percent of Yearly dividends for complying with related regulations.
- Article 20** Where there is profit at the end of each fiscal Year, after covering the accumulated losses, at least 4% of the profit shall be distributed as employees' compensation.
- The employees' compensation in the previous section may be distributed in the form of either cash or stock bonus, and may be distributed to the employees of subsidiaries of this Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors.
- Article 21** Where this Company has earnings at the end of the fiscal Year, after paying all relevant taxes, making up losses of previous Year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total paid-in capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous Year amount, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses. Except distribution of reserve in accordance with competent laws and regulations, the Company shall not pay dividends or bonuses when there is no profit.
- The distributable dividends and bonuses in whole or in part will be paid in cash by this 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.

CHAPTER VII – SUPPLEMENTARY PROVISIONS

- Article 22 The Company Law and related regulations shall govern any matter not provided in the Articles of Incorporation.
- Article 23 These Articles of Incorporation were approved on June 19, 1979
The first amendment was approved on December 17, 1980
The second amendment was approved on September 10, 1981
The third amendment was approved on August 10, 1983
The fourth amendment was approved on September 2, 1983
The fifth Amendment was approved on May 10, 1985
The sixth amendment was approved on August 1, 1985
The seventh amendment was approved on October 1, 1986
The eighth amendment was approved on April 2, 1987
The ninth amendment was approved on November 15, 1987
The tenth amendment was approved on March 15, 1989
The eleventh amendment was approved on April 26, 1989
The twelfth amendment was approved on October 15, 1989
The thirteenth amendment was approved on November 22, 1989
The fourteenth amendment was approved on February 23, 1990
The fifteenth amendment was approved on May 15, 1990
The sixteenth amendment was approved on August 1, 1990
The seventeenth amendment was approved on December 27, 1990
The eighteenth amendment was approved on June 22, 1991
The nineteenth amendment was approved on December 10, 1991
The twentieth amendment was approved on June 10, 1992
The twenty-first amendment was approved on October 23, 1992
The twenty-second amendment was approved on February 17, 1993
The twenty-third amendment was approved on May 31, 1993
The twenty-fourth amendment was approved on March 24, 1994
The twenty-fifth amendment was approved on April 26, 1996
The twenty-sixth amendment was approved on April 26, 1996
The twenty-ninth amendment was approved on May 28, 1999
The thirtieth amendment was approved on May 23, 2000
The thirty-first amendment was approved on May 17, 2001
The thirty-second amendment was approved on December 17, 2001
The thirty-third amendment was approved on June 19, 2002
The thirty-fourth amendment was approved on June 17, 2004
The thirty-fifth amendment was approved on June 14, 2005
The thirty-sixth amendment was approved on June 15, 2006
The thirty-seventh amendment was approved on June 14, 2007

The thirty-eighth amendment was approved on June 13, 2008

The thirty-ninth amendment was approved on June 18, 2010

The fortieth amendment was approved on June 15, 2012

The forty-first amendment was approved on June 19, 2013. These amendments to Acer's Articles of Incorporation shall be enforced and applied from June 2014 of expiration of the term currently being served by the Board of Directors or Supervisors

The forty-second amendment was approved on June 18, 2014

The forty-third amendment was approved on June 24, 2016

The forty-fourth amendment was approved on June 14, 2019

The forty-fifth amendment was approved on June 10, 2022

Appendix 2

Acer Incorporated Regulations Governing Election of Directors

- Article 1 Unless otherwise prescribed by the Company Law, relevant laws and regulations, or the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's directors.
- Article 2 Company's directors shall be elected from those shareholders who are on the candidate list for director positions announced by the Company by adopting the candidate nomination system.
- Article 3 Company's directors shall be elected through cumulative voting.
- Article 4 When electing the Company's directors, each share shall be entitled to one vote for each director to be elected. The holder of the shares may cast all votes for one candidate, or may distribute the votes among several candidates.
- Article 5 The candidates for independent directors or non-independent directors who receive the most votes for the position of director, with voting rights separately calculated for independent and non-independent director positions, shall win the election separately, and such number shall be in compliance with the number of positions for director provided for in the Articles of Incorporation. In the event two or more candidates receive the same number of votes beyond a quota, the winner shall be determined by drawing lots. One lot may be drawn by the chairman for each of the absentees.
- Article 6 (Deleted)
- Article 7 The board of directors shall, upon preparing the ballots, have the ballots numbered in a series and enter the voting power on each ballot.
- Article 8 During the election, the chairman shall appoint vote inspectors and vote counters from among the shareholders in attendance to take charge of inspecting and counting the votes.
- Article 9 A ballot box shall be provided by the board of directors and shall be kept in public view by the monitor before the vote.
- Article 10 Voters shall fill in candidate's name and shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's ROC Identification Card Number (or for foreigner candidates, the candidate's passport number); voters shall drop the ballots into the ballot box. In the event a legal entity is a candidate, both the full registered name of the legal entity and the name of its legal representative shall be entered on the ballot.
- Article 11 A ballot shall be null and void if such ballot:
1. Is not dropped into the ballot box;
 2. Is not on a ballot prepared by the Company;
 3. Is not filled out by voter and is blank;
 4. Contains the name of a candidate who is a shareholder, but his or her shareholder's account number and the name under which the shares are registered, do not comply with the register of shares;
 5. Contains any words or notations other than the candidate's name or the shareholder's account number;
 6. Contains any alteration to the candidate's name, shareholder's account number, and voting power;
 7. Contains words or marks which are illegible or unrecognizable; or
 8. Contains the name of a candidate, but fails to list the shareholder's account number, or his or her ROC Identification Card Number (or Passport Number) so as to identify such person.

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- Article 12 The vote inspector and vote counter shall monitor the opening of the ballots, and the chairman shall announce the results immediately thereafter.
- Article 13 These Regulations and any amendments hereto shall enter into force when approved by a resolution at a Shareholders' Meeting.
- Article 14 These regulations were enacted on February 17, 1993
The first amendment was made on December 17, 2001
The second amendment was made on June 19, 2002
The third amendment was made on June 18, 2014

Appendix 3

Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Shareholder Return Rate:

Not Applicable

Appendix 4

Shareholdings of All Directors as of April 8, 2023

Title	Name	Number of Shares
Chairman	Jason Chen	9,156,536 (Note 1)
Director	Stan Shih	34,989,531
Director	Hung Rouan Investment Corp. Legal Representative: Maverick Shih	73,629,933
Independent Director	Ching-Hsiang Hsu	0
Independent Director	Ji-Ren Lee	0
Independent Director	Yuri, Kure	0
TOTAL		117,776,000 (Note 2)

Note 1: Including the shares of 6,523,056 which held by the investment company wholly owned by Mr. Jason Chen.

Note 2: (1) The current number of issued shares in the Company as of April 8, 2023 : 3,047,853,828 common shares.

(2) Given that the independent directors of the Company exceed one-half of the total director seats and an audit committee has been established legally, the provisions on the minimum percentage requirements for the shareholding respectively of all directors and supervisors shall not apply.



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