ACER INCORPORATED 2021 ANNUAL REPORT

TSE: 2353

Vero line of green products

Publication Date: April 12, 2022
http://mops.twse.com.tw
www.acer-group.com

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5. Overseas Securities Exchange

Listed Market for GDRs: London Stock Exchange Market
For further information, please refer to Website: www.Londonstockexchange.com

6. Acer Group Website: www.acer-group.com

2025 Sustainability Goal and Strategic Direction

Aspects	Strategic Direction		2025 Goals	SDGs
Circular Economy	Sustainable Design Recycle Materials Reduce Plastic Packaging	20-30%	20-30% PCRs plastic content in core products (notebooks/desktops/monitors)	11, 12
Climate Change	Renewable Energy	60%	Acer Group to reach 60% renewable energy *RE100 by 2035	7, 13
	Energy Efficiency	45%	45% reduction in average personal computer energy consumption (2016-2025)	
	Carbon Reduction	80%	80% of critical suppliers committed to RE100 or set carbon reduction SBTs	
Social Impact	Environmental Friendliness IT Education	> 90%	Over 90% of our employees will participate in Project Humanity to drive social impact	17, 4, 13
	Employee Engagement	80%	80% of our employees are actively engaged in their work	

Earthion Platform

Product Design
Green innovation

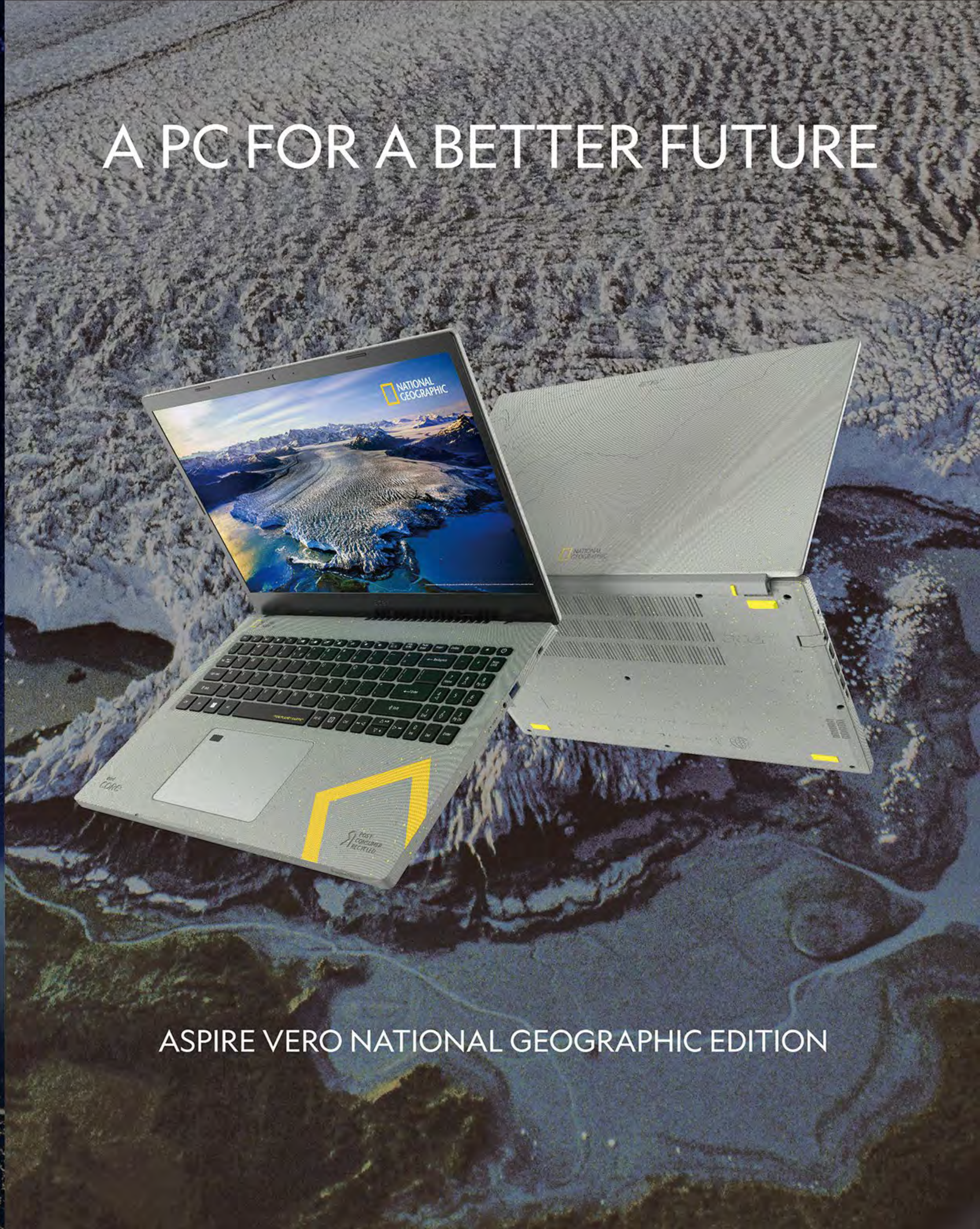
Recycle
Rethink and reuse

Production
Minimize the impact on our environment

Packaging Design
Less packaging, more recycled materials

Energy
Renewable energy

Logistics
Reduce our carbon footprint




Swift 5


Take Your Business to the Next Level
Business
Inspire Potential
Education
Acer Chromebook

iF Design Award

iF Design Award winners: ConceptD 3 Ezel laptop and ConceptD 300 desktop for creators, Predator Triton 300 SE laptop and Predator X34 S monitor for gamers, and the Porsche Design Acer Book RS / TravelPack RS.

Red Dot Award: Best of the Best

The Porsche Design Acer Book RS and matching Porsche Design Acer TravelPack RS received a Red Dot: Best of the Best award, the top prize in the product design category.

Red Dot Award: Product Design

The ConceptD 300 desktop for creators, Acer Spin 7 laptop, and the Acer B248Y business monitor won the Red Dot award for high design quality.

Red Dot Award: Brand and Communication Design

The eco-friendly Aspire Vero laptop's green packaging design earned a Red Dot Award for Brand & Communication Design in the "Packaging Design" category.

Red Dot Award: Brand and Communication Design

The PLANET9 esports social platform earned a Red Dot Award for Brand & Communication Design in the "Digital Solutions" category.

Good Design Award of Japan

The Aspire Vero green laptop, Acer Chromebook Spin 512, and Acer CB273U display earned the Good Design Award from Japan.

Computex d&i Award

The ConceptD 3 Ezel and ConceptD 7 Ezel notebooks, TravelMate P6 commercial notebook, Predator X34 S gaming monitor, and PLANET9 esports platform's in-game live AI translator received Computex awards for design and innovation.

DISCLAIMER

This is a translation of the 2021 Annual Report 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 Annual Report shall govern any and all matters related to the interpretation of the subject matter stated herein.

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Business Report to Shareholders

1

Business Report to Shareholders

Acer's key focuses over the past year have been to maintain its business momentum and march towards a more sustainable future. We have continued to evolve with the industry and lifestyle changes by pushing for innovation and environmentally-friendly designs for our PCs/displays and expand our multiple business engines.

Acer believes that it is everyone's responsibility to do the right thing for a greener environment; it's a critical subject across all industries. In 2021, we joined the RE100 initiative and pledged to source 100% renewable energy by 2035. Moreover, we announced the Acer “Earthion” platform that unites employees and supply chain partners to tackle environmental challenges, and launched the Vero line of green notebooks, desktops and displays, which utilize post-consumer recycled (PCR) plastic, recyclable packaging, and ocean-bound plastic waste.

As the current pandemic lingers on, our company has been working hard to help people cope with the challenges by providing them with the technology to stay connected for study, work, or stay in touch with their loved ones. Adapting to changing needs, we have expanded our antimicrobial offering to more products and lines. The close monitoring of market dynamics and swift actions taken have helped our company to strengthen our resilience and return to profitability to over NT$10 billion in 2021. We reported our fiscal 2021 results with consolidated revenues of NT$319.01 billion with 15.1% year-over-year (YoY) growth, and operating income of NT$14.16 billion with 58.5% YoY growth. In addition, the net income of NT$10.90 billion and EPS of NT$3.63 were both the highest in 11 years.

Innovation and Intrapreneurship

In 2021, Acer ranked No. 5 for total PCs shipments worldwide (Source: IDC). Business highlights include YoY growth of both our notebook and desktop PCs by 21%, the gaming line (gaming related products and businesses) by 27%, our commercial notebooks by 43%, while other businesses (not part of PCs and displays) grew by 27% YoY. In addition, we ranked among the top 3 in Taiwan patent applications.

In the PCs and displays business, we are committed to strengthening the foundations with technological innovations such as our state-of-the-art thermal cooling solutions and unique product lines for the specific needs of gamers, creators, education, usage in harsh environments, and more. At the same time, our strategy to explore new initiatives such as solutions for smart cities, expand into adjacent territories, and cultivate multiple business engines, is gaining momentum.

In the gaming field, Acer continued building on its comprehensive ecosystem that now includes hardware/accessories, esports tournaments, esports social platforms, and beverages (launched in Asia, Europe and South America). In Taiwan, Acer subsidiaries are distributors of popular gaming consoles. In hardware, Acer has stood out from the competition by introducing new generations of its advanced thermal cooling solutions to enable its gaming notebooks and desktops to run at peak performance.

Multiple Growth Engines and New Initiatives

Acer's strategy to build multiple business engines continued to gain momentum and saw viable growth, such as the good progress made by Highpoint Service Network, Acer Gaming, and Acer Gadget. For the full year of 2021, these businesses contributed to 17.6% of Acer's overall revenues, up from 15.4% in 2020.

The strategy of promoting intrapreneurship and listing our subsidiaries also made progress; as of January 2022, Acer has six listed subsidiaries in Taiwan, with Acer Medical as the newest addition being listed on the Taipei Exchange Emerging Stock Market. We always offer our shareholders the opportunity to invest in the new engines as they go public, so that shareholders can have their share of voice and be part of the business development, and ensuring that we adhere to proper governance.

Recognition for ESG Performance

Our corporate responsibility efforts have consistently been recognized by global sustainability indices that benchmark environmental, social and governance (ESG) performance of organizations. We have been awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook in both 2021 and 2022 for the top ESG scoring companies. We were listed in the MSCI ESG Leaders Indexes for the eighth year, and garnered the best rating of "AAA" for the first time that represents the top 2% in its category. And for the eighth consecutive year we have been listed in the Dow Jones Sustainability Indices Emerging Markets Index.

With your support we've navigated through these ever-challenging times and tested our company resilience. We will continue to push limits and bring value to our customers, shareholders and employees. Thank you.

Jason Chen

Chairman of the Board

Jason Chen

Meggy Chen

Corporate Officers

Sophia Chen

Accounting Officer

1.1 2021 Operating Report

1.1.1 Operating Results and Earning Abilities

Financial Information (Consolidated)

Unit: NTD Thousands

Item		2020	2021
Operating Results	Revenue	277,112,477	319,005,456
	Gross profit	30,119,615	37,191,056
	Net income (loss) attributable to shareholders of the Parent	6,029,287	10,897,427
Earning Abilities	Return on assets(%)	3.69	5.80
	Return on equity(%)	10.15	17.64
	Net income ratio(%)	2.22	3.54
	EPS(NTD)	2.01	3.63

In 2021, revenue was NT$319.0 billion with a 15.12% increase year-over-year, gross profit was NT$37.2 billion with a 23.48% increase year-over-year, net income attributable to shareholders of the parent was 10.9 billion with a 80.74% increase year-over-year which resulted in a higher EPS of NT$3.63. Due to rise in net income, return on assets, return on equity and net income ratio went up in 2021.

1.1.2 Budget Expenditure in 2022

Not applicable

1.2 2022 Business Plan

1.2.1 Business Strategy

1. Evolve with industry and lifestyle changes by pushing for innovation in existing businesses and expanding to new territories. The common objective of all businesses under the Acer group is to explore new markets and broaden boundaries.
2. Stay at the forefront of technology through a focus in R&D to ensure competitiveness.
3. Offer a portfolio of products tailored for different target audiences' needs.
4. Optimize operational efficiency by sharing resources among the Acer group companies. As a corporate group with multiple growth engines, foster entrepreneurship among subsidiaries by going public.
5. Strengthen environmental, social and governance (ESG); share best practices with partners and make ESG a sustainable business.

1.2.2 Business Goals

1. Build a sustainable and resilient company by diversifying businesses and building multiple business engines. Enhance brand premium through building lifestyle brands for existing and new target audiences. Push for growth in the commercial market.
2. Incorporate latest technologies and develop new solutions that evolve with lifestyles and trends, and create value for users. Focus on segments with potential for high growth and profitability.
3. Identify target audiences and address social issues with solutions from new brands, sub-brands, or by developing new offerings in existing brands.
4. Optimize operating expenditure and increase operating income to enhance sustainability of operations, uphold the interests of shareholders.
5. Expand the circle of impact of environmental protection efforts by encouraging employees to make decisions that matter in their professional capacity; and by educating and influencing supply-chain partners.

1.2.3 Business Planning and Marketing Strategy

1. Expand Acer's gaming ecosystem with PCs, gadgets, social platform and other lifestyle products. Host, sponsor, or collaborate in esports events to cultivate esports talent and raise brand awareness. Separately, invest in upstream and downstream technology companies and grow the brand licensing business.
2. Secure Acer's technology leadership by making ongoing improvements, such as its thermal cooling solutions, and many award-winning designs (e.g. notebook hinge, sustainable packaging). Explore AI-based solutions for vertical markets, such as smart cities and assist the healthcare industry to achieve breakthroughs. Through both in-house research and partnerships, expand to more verticals which have synergy with Acer's core competencies.
3. Focus on segments with high growth potential, including the gaming ecosystem, Chromebooks for education and enterprises, creator line for designers, and the rugged line for use in outdoor or harsh environments. Innovate in newly identified segments: green PCs and antimicrobial solutions for self-hygiene.
4. Prepare more subsidiaries for public listing, which is the real test of their business independence and optimization.
5. Amplify employee understanding of environmental issues through hosting events for learning and sharing. Communicate Acer's initiatives to its supply-chain partners. Besides fulfilling basic environmental criteria standards and assessments, promote the mindset to do more among employees and partners by setting call-to-actions and incentives.

1.2.4 Future Development Strategy

1. Continue to make advancements in its industry-leading technologies and powerful devices, e.g. for the creator line, add powerful tools to empower designers' creativity, including technology for intuitive interaction and immersive sensations. Research in new technologies and markets not restricted to the PC structure, and build on the advantage of Acer's expansive global footprint and service network.
2. Encourage intrapreneurship. Seek new areas where Acer's knowhow in AI and technology could support and improve solutions in various areas such as healthcare, science, and smart solutions.
3. March ahead in new businesses through public listings.
4. Make ESG initiatives a sustainable business. Boost employees' and partners' awareness of the necessity to reduce burden on the environment. Initiate more actions to reduce, reuse, recycle in company operations, and give back to society and shareholders.

1.2.5 Impact on Company Due to Competition, Governmental Regulations and Overall Macro Market

1. Strengthen global IT security and preparedness to counteract cyber security threats and minimize impact.
2. Observe geopolitical and socioeconomic situations, especially their impact on supply chain and currency fluctuations. Dynamically adjust business and operational strategies accordingly, including foreign exchange hedging to minimize risks.
3. Observe the impacts of the ongoing Covid-19 pandemic and how they lead to lifestyle changes; reassess risks such as in supply chain and manufacturing.
4. Respect international laws and regulations on information privacy and security, such as GDPR, especially in the realms of AI and cloud services.
5. Keep abreast with the evolving digital infrastructure developments brought about by the combination of AI and 5G, and the new applications, opportunities and challenges this brings across industries.

Company In General

2

2.1 Date of Founding : August 1, 1976

2.2 Brief Account of the Company

1976 – 1986

- Commercialized microprocessor technology

1987 – 2000

- Created the Acer brand name and went global

2001 – 2007

- Transformed from manufacturing to a marketing and sales company

2008 – 2013

- Enhanced worldwide presence with a multi-brand strategy

2014 – 2019

- Transformed into a "hardware + software + services" company

2020 – Present

- Evolving with the industry and changing lifestyles, and expanding boundaries

1976

- Founded under the name "Multitech" with NT$1 million (US$25,000) in capital, focusing on trade, product design, and consultancy in the use of microprocessor technologies. (Aug. 1, 1976).

1978

- Established the Microprocessor Training Centre, training 3,000 engineers for Taiwan's information industry.

1979

- Expanded the business to central and southern Taiwan.
- Designed Taiwan's first mass-produced computer for export.

1980

- Designed the Dragon Computer Terminal, the Chinese language adaptation for computers.

1981

- Established its manufacturing operations at the Hsinchu Science-based Industrial Park in Taiwan.
- Debuted the MicroProfessor-I as the Company's first branded product.

1982

- Unveiled the MicroProfessor-II as Taiwan's first 8-bit home computer.

1984

- First company to promote 16-bit PC products in Taiwan.
- Established Acer Peripherals, Inc. (now BenQ Corp.) .

1985

- Founded AcerLand, Taiwan's first and largest franchised computer retail chain.

1986

- Beat IBM to offer 32-bit PCs.

1987

- Created the "Acer" name.

1988

- Completed Acer Inc. initial public offering (April 1988)

1989

- Formed the TI-Acer DRAM joint venture with Texas Instruments.

1990

- Launched Acer's first notebook.
- Acquired Altos Computer Systems, a manufacturer of multi-user and networked systems for commercial markets.

1991

- Introduced ChipUp™ technology – world's first 386-to-486 single-chip CPU upgrade solution.

1992

- Co-founder Stan Shih introduced the Smiling Curve concept.

1995

- The popular Aspire multimedia PC brought Acer closer to the consumer electronics market.

1998

- As official IT Sponsor of the 13th Asian Games in Bangkok, Acer introduced the world's first PC-based management system for a major international sporting event.

2000

- As part of its second re-engineering to transform into a marketing and sales company, Acer split off the manufacturing business unit to create Wistron Corp.

2001

- Introduced the MegaMicro e-Enabling services, an e-business model that integrates IT equipment, network, management platforms, and application software.

2002

- Inaugurated the Product Value Lab to enhance Acer's customer-centric focus in research and design.
- TravelMate C100 was the first convertible Tablet PC available in the worldwide market with pen input.

2004

- Acer Co-founder Stan Shih retired from the Group.

2005

- J.T. Wang assumed the position of Chairman and CEO, while Gianfranco Lanci stepped into the role of Corporate President.
- Launched Ferrari 4000, the first carbon-fiber notebook available in the worldwide market.
- Became the No. 1 brand in EMEA for notebooks.

2006

- Became a Sponsor of Scuderia Ferrari.

2007

- Completed the merger of Gateway, Inc.

2008

- Announced the acquisition of E-ten and plan to enter the smart handheld market.
- Acquired Packard Bell Inc. through the takeover of Gateway Inc.
- Launched the Aspire One, Acer's first netbook.

2009

- Launched the Aspire Timeline line – Acer's first thin and light notebooks with all-day battery life.
- BusinessWeek named Acer among the "10 Hottest Tech Companies of 2009."
- Launched the Liquid line of smartphones.
- Ranked as the world No. 2 company in Total PCs.

2010

- Provided and managed computing facilities for the Vancouver 2010 Olympic Winter Games.

2011

- Acquired US-based iGware, investing in cloud technology.
- Debuted the first Ultrabook™ with the Aspire S3.
- Jim Wong assumed to role of Corporate President
- Launched the ICONIA tablet PCs.

2012

- Supplied all computing equipment for the London 2012 Olympic Games and earned high appraisals from the assembly.

2013

- Elected Stan Shih as company Chairman and interim Corporate President.
- Announced Build Your Own Cloud (BYOC™) and the transition to a "hardware + software + services" company.

2014

- Appointed Jason Chen as Corporate President and CEO (Jan. 1, 2014).
- Debuted the Liquid Leap as the Company's first wearable device.
- George Huang succeeded Stan Shih as Chairman; Acer's Board invited Stan Shih to become Honorary Chairman.
- Debuted on the Dow Jones Sustainability Emerging Markets Index and listed on the MSCI Global Sustainability Indexes for environmental, social and governance.

2015

- As sponsor of Taiwan's First IAAF certified marathon – Wan Jin Shi – Acer provided the runner tracking service.
- Held its inaugural "next@acer" global press conference in New York.
- Announced the availability of the Predator gaming product line.
- Acquired GPS cycling computer brand, Xplova, to expand reach in the sports industry.
- Its subsidiary, MPS Energy, and Studio X-Gene announced a new electric all-terrain vehicle.

2016

- Announced strategic partnership with GrandPad to tap into the senior care market.
- Began research and developments into the virtual reality realm.
- Revealed the world's first curved-screen gaming notebook, the Predator 21 X.
- Acquired Pawbo and stepped into the petware market.
- Celebrated its 40th anniversary.

2017

- Unveiled smart transportation solutions that include smart parking, and the intelligent mixology robot solution.
- The Board appointed Jason Chen as Chairman and CEO, and Meggy Chen as Corporate Chief Financial Officer.
- Sponsored 13,000 smartwatches to athletes and sports delegation members participating in the Summer Universiade Taiwan, together with MediaTek Inc. and EasyCard Corp.
- Expanded its digital signage business by participating in the private placement of AOPEN.
- The Board approved to separate the data center business from Acer CyberCenter Services Ltd. (now Acer Cyber Security Inc.) and form a new company called Acer e-Enabling Data Center Inc.

2018

- Launched the world's thinnest laptop, Swift 7, measuring at just 8.98 mm thin.
- Hosted the first Asia Pacific Predator League 2018 esports tournament and finals held in Jakarta, Indonesia.
- Expanded its gaming gadgets with the Predator Thronos chair.
- Announced the world's lightest 15-inch notebook with the Swift 5 weighing just 990 grams.
- Introduced the Acer OJO 500 Windows Mixed Reality headset.
- Named Proud Partner and Official Monitor Provider of the 2018 League of Legends World Championship, for the third consecutive year.
- Appointed Tiffany Huang and Jerry Kao as Co-chief Operating Officers.

2019

- Hosted the grand finals of the second Asia Pacific Predator League esports tournament in Thailand.
- Launched the ConceptD brand with a full portfolio of high-end products for creators, including desktops, notebooks, and monitors.
- As Official Sponsor of the 2019 Olympiad in Informatics in Azerbaijan, Acer provided servers to run the contest, and notebooks for the contestants and staff.
- Predator was the first gaming brand to win the Red Dot brand award.
- Unveiled PLANET9, a next-generation esports platform and open community for gamers.
- The "Click to Pray eRosary" smart wearable, designed by its subsidiary GadgeTek Inc. in corporation with the Vatican for the Catholic community, captured great international media attention.

- Its subsidiary Acer Cyber Security Inc. (ACSI) became listed on the Taipei Exchange.
- Teamed up with Ubisoft with the Predator brand as official PC and monitor sponsor for the Rainbow Six Pro League and Majors esports events through to 2020.

2020

- Held the first online next@acer global press conference due to the COVID-19 pandemic.
- Launched the Acer Enduro line of notebook and tablet for rugged use.
- Entered the beverage business with the PredatorShot energy drink and VitaBeauty health drink, expanding its lifestyle products.
- Expanded its air monitoring business by establishing the AcerPure Inc. subsidiary, and launching the "acerpure cool" 2-in-1 air circulator and purifier.
- Collaborated with National Taiwan University Hospital and Novartis Taiwan to receive the first AI-assisted diagnostic software ophthalmic medical device certification from the Taiwan Food & Drug Administration (TFDA approved license).
- Its subsidiary, Acer e-Enabling Service Business (AEB), teamed up with the Centers for Disease Control to build an information system for critical medical supplies and the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS), providing medical officials with real time data during the COVID-19 pandemic.
- The newly established business, Acer Gaming, became a distributor of products from Sony Interactive Entertainment Taiwan.
- Its subsidiary, Acer Synergy Tech Corp. (AST), became listed on the Taipei Exchange.

2021

- Its subsidiary, Acer e-Enabling Service Business (AEB) became listed on the emerging stock market of the Taipei Exchange.
- Its subsidiary, Weblink International, became listed on the Taiwan Stock Exchange.
- Introduced the award-winning ConceptD 7 SpatialLabs Edition laptop, bringing eye-popping, glasses-free stereoscopic 3D to designers and developers.
- Acer Group joined the RE100 initiative and committed to source 100% renewable energy by 2035.
- Announced the “Earthion” platform to help tackle environmental challenges by uniting the strengths of its employees and supply chain partners.
- Unveiled the Vero line of sustainability-focused products, starting with the Aspire Vero notebook.
- Established an AI-based rapid transit safety R&D center in cooperation with the Taipei Rapid Transit Corporation and Taipei University of Technology.
- Listed on the Dow Jones Sustainability Indices (DJSI) for the eighth straight year; and on the FTSE4Good Emerging Index for the sixth year.
- Listed in the MSCI ESG Leaders Indexes for the eighth year, garnering the best rating of “AAA” that represents the top 2% in its category.

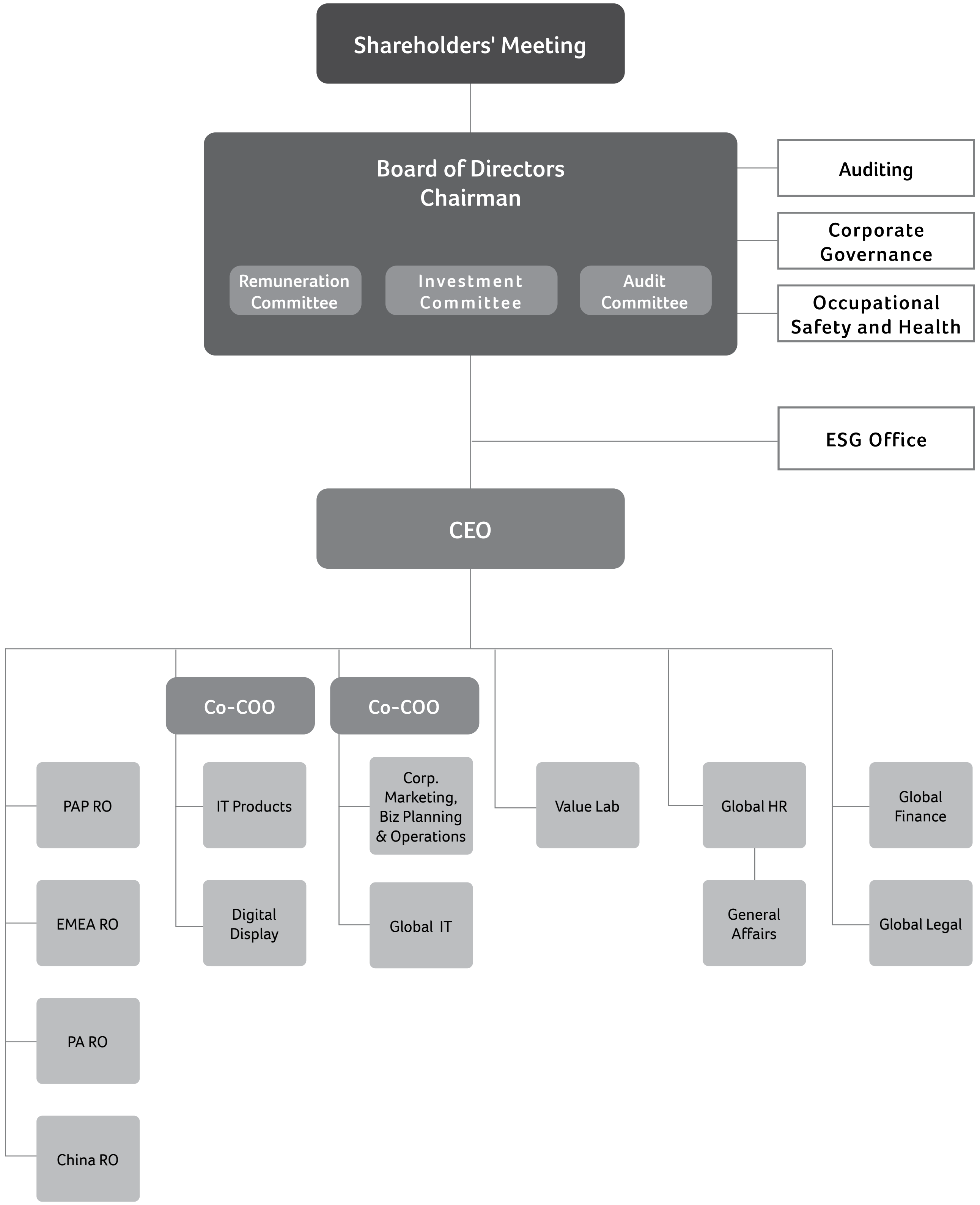
2022

- Received Silver Class distinction in the S&P Global Sustainability Yearbook 2022, which features only the top ESG (environmental, social and governance) scoring companies.
- Its subsidiary, Acer Medical, became listed on the Taipei Exchange Emerging Stock Market, making a total of six listed subsidiaries.
- Established new subsidiary, Acer Beverage, to expand its lifestyle product lines and business scope.

3 Corporate Governance Report

3.1 Organization of the Company

3.1.1 Department Functions



3.1.2 Corporate Functions

Auditing
- To assist Acer Board of Directors and officers in inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency, and make timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction.

Corporate Governance
- The procedures for and relative matters of Shareholders, Board of Directors and functional committees' meeting; to assist Acer Board of Directors and BOD members to execute their power and authority in accordance with laws and regulations, the Company's Articles of Incorporation and relevant internal rules.

Occupational Safety and Health
- Establish an occupational safety and health management system to achieve safety and health management goals and improve safety and health management standards through planning, implementation, evaluation, and improvement measures.

ESG Office
- Strategic planning and management in corporate sustainability with the aim of fulfilling corporate social responsibilities.

PAP RO
- Sales, marketing and after-sales service of Acer's IT products in Taiwan and Asia Pacific.

EMEA RO
- Sales, marketing and after-sales service of Acer's IT products in Europe, Middle East and Africa.

PA RO
- Sales, marketing and after-sales service of Acer's IT products in Pan America.

China RO
- Sales, marketing and after-sales service of Acer's IT products in China.

IT Products Business
- Managing global notebook, desktops, Tablet, wearable products and gadget products business.

Digital Display Business
- Managing global monitors, and projectors product lines business.

Corporate Marketing, Business Planning & Operations
- Corporate brand management, consolidation and implementation of global marketing strategies, corporate communications, and the strategic planning, operations of all IT business back-end function.

Value Lab
- Research and development, design and devote to the technology for new value creation business.

Global IT
- Corporate information infrastructure and information systems management.

Global Finance
- Corporate finance, investment, treasury, credit and risk control and accounting services management.

Global Legal
- Corporate and legal affairs, intellectual property management.

Global HR
- In response to market changes of global trends, formalize the human resources-related talent strategies and organizational planning to meet the company's sustainable development needs.

General Affairs
- General affairs, transportation services, office facilities management.

3.2 Information Regarding Board of Directors and Key Managers

3.2.1 Board of Directors (April 12, 2022)

Title	Nationality or Registration	Name	Gender / Age	Date of Election	Term	Accumulative Term	Date of First Election (Note 3)	Shares Held When Elected		Shares Held at Present		Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Managerial Position		
								Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage			Title	Name	Relation-ship
Chairman (Note 1)	R.O.C	Jason Chen	Male Above 60	06/12/2020	3 Years	Since June 2014	06/18/2014	2,555,480	0.08	2,633,480	0.09	0	0	5,490,056	0.18	Senior Vice President of Worldwide Sales and Marketing, TSMC MS in Business Administration, Missouri Columbia University	1. Chairman, Mu-Jin Investment Co., Ltd. 2. Chairman, Mu-Shi Investment Co., Ltd. 3. Other (Note 2)	-	-	-
Director	R.O.C	Stan Shih	Male Above 60	06/12/2020	3 Years	Since July 1979	12/17/2001	69,024,395	2.26	34,989,531	1.15	399,225	0.01	0	0	Chairman, ACER MS in Electrical Engineering, National Chiao Tung University, Taiwan	1. Director, CTS Inc. 2. Director, Hung Rouan Investment Corp. 3. Director, Nan Shan Life Insurance Co., ltd. 4. Director, Ambi Investment and Consulting Inc. 5. Director, Egis Technology Inc. 6. Director, Rongxin Management Consultants Co., Ltd. 7. Director, Taiwan Public Television Service Foundation 8. Chairman, CLOUD GATE Foundation 9. Chairman, Stans Foundation 10. Director, Chew's Culture Foundation 11. Director, NSFG Foundation 12. Director, SanCode Education Foundation 13. Other (Note 2)	Legal Repre-sentative of Director	Maverick Shih	Son
Director	R.O.C	Hung Rouan Investment Corp.	-	06/12/2020	3 Years	Since June 2014	06/14/2005	73,629,933	2.42	73,629,933	2.42	0	0	0	0	-	-	-	-	-
Legal Representative of Director	R.O.C	Maverick Shih (Representative of Hung Rouan Investment Corp.)	Male 40~50	06/12/2020	3 Years	Since July 2019	06/14/2005	0	0	10,141,777	0.33	13,172,880	0.43	0	0	President, Acer Cloud Technology Ph.D. in Electrical Engineering, University of Southern California	1. Director, Kiwi Technology Inc. 2. Chairman, Taurus Interstellar Inc. 3. Chairman, MAVs LAB. Inc. 4. Director, Allxon Inc. 5. Director, Rongxin Management Consultants Co., Ltd. 6. Other (Note 2)	Director	Stan Shih	Father
Independent Director	R.O.C	Ching-Hsiang Hsu	Male Above 60	06/12/2020	3 Years	Since June 2017	06/21/2017	0	0	0	0	0	0	0	0	Chairman, Research Institute of Electronics Engineering, Tsing-Hua University Ph.D. in Electrical Engineering, University of Illinois at Urban-Champaign	1. Chairman, eMemory Technology Inc. 2. Chairman and President, PUFsecurity Corp. 3. Chairman, PUFsecurity USA Corporation 4. Director, SecuX Technology Inc. 5. Chairman, iMQ Technology Inc. 6. Independent Director, Materials Analysis Technology Inc. 7. Director, National Applied Research Labora-tories 8. Director, Powerchip Semiconductor Manufac-turing Corporation	-	-	-
Independent Director	R.O.C	Ji-Ren Lee	Male Above 60	06/12/2020	3 Years	Since June 2014	06/18/2014	0	0	0	0	0	0	0	0	Professor of International Business, College of Management, National Taiwan University Ph.D. in Strategic Management, University of Illinois at Urban-Champaign	1. Independent Director, Delta Electronics, Inc. 2. Independent Director, Vivotek Inc. 3. Director, CommonWealth Magazine Co., Ltd. 4. Chairman, AXR Entrepreneurship and Busi-ness Consulting Co., Ltd. 5. Director, Social Enterprise Insights 6. Chairman, B Current Impact Investment Fund 3 7. Director, Primax Electronics Ltd. 8. Director, Emerging Capital Co., Ltd. 9. Director, Longchen Paper & Packaging Co., Ltd. 10. Director, Commomonwealth Education Media And Publishing Co., Ltd. 11. Chairman, Wesync Startup Service And Con-sulting Co., Ltd. 12. Member of Remuneration Committee, MediaTek Inc.	-	-	-

Title	Nationality or Registration	Name	Gender / Age	Date of Election	Term	Accumulative Term	Date of First Election (Note 3)	Shares Held When Elected		Shares Held at Present			Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Managerial Position		
								Number	Percentage	Number	Percentage		Number	Percentage	Number	Percentage			Title	Name	Relation-ship
Independent Director	R.O.C	San-Cheng Chang	Male Above 60	06/12/2020	3 Years	June 2017~ November 2019 Since June 2020	06/21/2017	530,322	0.02	530,322	0.02		6,444	0	0	0	Premier Ph.D. in Civil and Environmental Engineering, Cornell	1. Director, XUE XUE INSTITUTE CO., LTD. 2. Director, Help-Save-A-Pat Fund Taiwan 3. Director, Cancer Care Foundation 4. Chairman, SanCode Education Foundation	-	-	-
Independent Director	Japan	Yuri, Kure	Female 40-50	06/12/2020	3 Years	Since June 2020	06/12/2020	0	0	0	0		0	0	0	0	Lee and Li, Attorney-at-Law, Senior Associate-Japan Project Manager MS in Law, National Taiwan University	None	-	-	-

Note 1: The Company continuously focus on Dual Transformation, which means Acer not only discovers a Niche Market to its core business, but also develops multiple growth engines; to efficiently exercise the limited resource of Acer group, and achieve this challenging and complicated strategy of Dual Transformation, it is periodically necessary for one person to hold a concurrent post of Chairman and CEO. Moreover, to enhance the supervising function to Board, the Company increases the number of Independent Directors to 4 seats, in addition there is no more than half directors hold a concurrent post of employees and executors of the Company.

Note 2: Appointed by Company to be Director and/or President of certain subsidiaries.For further details, please refer to pages 175 to 186.

Note 3: The Date that the Director was first elected when Acer has been a public offering Company.

Major Shareholders of Acer's Institutional Shareholders (April 12, 2022)

Name of Acer's Institutional Shareholders	Major Shareholders of Acer's Institutional Shareholders	Percentage of Shares
Hung Rouan Investment Corp.	Carolyn Yeh	20.13%
	StanShih Foundation	1.60%
	Shih Hsuen Rouan	17.25%
	Shih Hsuen Huei	26.09%
	Shih Hsuen Lin	17.16%
	Shih Fang Cheng	8.93%
	Yeh Ting Yu	8.84%

Note: StanShih Foundation is established and 100% donated by Mr. Stan Shih.

Directors' Professional Qualifications and Independ Directors' Independence

Criteria / Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Jason Chen	Jason Chen has been Chairman and CEO of Acer since 2017. From 2014 to 2017 he served as Corporate President and CEO, and played a pivotal role in driving Acer's corporate transformation and diversification into new business areas. Before joining Acer, Chen served at TSMC from 2005 to 2013 where his last assignment was Senior Vice President of Worldwide Sales and Marketing. From 1991 to 2005 he enjoyed a 14-year career at Intel during which his last position was as Corporate Vice President of Sales and Marketing Group based at Intel's U.S. headquarters. From 1988 to 1991 Chen worked at IBM Taiwan. Chen specializes in information technology and finance, and doesn't meet any condition defined in Article 30 of Company Act.	1. Except that Chen himself serves as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Chen holds 2,633,480 shares (0.09%) of the Company by himself and 5,490,056 shares (0.18%) of the Company under others' names. 3. There is no condition that Chen, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	0
Stan Shih	Stan Shih co-founded Acer in 1976 under the name Multitech, and served as Chairman and CEO until his initial retirement in 2004. He returned in November 2013 to help lead Acer through its third corporate transformation. In June 2014 he stepped away from the daily operations and became Honorary Chairman. A social entrepreneur, Shih now serves as Chairman of the StanShih Foundation. He is a member of the board at TSMC and Nan Shan Life Insurance. In social and public services, he is Chairman of the Cloud Gate Culture and Arts Foundation, and convener of the Cultural Tech Alliance, Taiwan. He is also a member of the board at the Public Television Service Foundation and the Chinese Television System. Throughout his career, Shih has received numerous accolades, including Businessweek's "25 Top Managers of the Year" (1996) and was featured in TIME in the article "60 years of Asian Heroes" (2006). Shih specializes in information technology, finance and consumer discretionary market and doesn't meet any condition defined in Article 30 of Company Act. Maverick Shih is the Chairman for Acer Cyber Security and Acer Synergy Tech. When Acer merged with iGware in 2011, he joined Acer as Special Assistant to the President of Cloud Technology Business to help lay the foundation for Acer's cloud service development. The cloud business later became the BYOC (Build Your Own Cloud) Business in 2014 and Shih was promoted as its President, supporting the overall transformation of Acer. With a Ph.D. in Electrical Engineering, Shih's previous appointments specialized in IC design, multimedia audio/video signal processing technology, imaging analysis, and software design for tablets. He holds a B.Sc. degree in Applied Mathematics at Fu Jen Catholic University, and a Ph.D. in Electrical Engineering from the University of Southern California. Shih specializes in information technology, finance and doesn't meet any condition defined in Article 30 of Company Act.	1. Except that Shih himself and his son, Maverick Shih, serve as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Shih holds 34,989,531 shares (1.15%) of the Company by himself and his family holds 150,573,976 shares (4.94%) of the Company. 3. There is no condition that Shih, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	0
Maverick Shih (Representative of Hung Rouan Investment Corp.)	Maverick Shih is the Chairman for Acer Cyber Security and Acer Synergy Tech. When Acer merged with iGware in 2011, he joined Acer as Special Assistant to the President of Cloud Technology Business to help lay the foundation for Acer's cloud service development. The cloud business later became the BYOC (Build Your Own Cloud) Business in 2014 and Shih was promoted as its President, supporting the overall transformation of Acer. With a Ph.D. in Electrical Engineering, Shih's previous appointments specialized in IC design, multimedia audio/video signal processing technology, imaging analysis, and software design for tablets. He holds a B.Sc. degree in Applied Mathematics at Fu Jen Catholic University, and a Ph.D. in Electrical Engineering from the University of Southern California. Shih specializes in information technology, finance and doesn't meet any condition defined in Article 30 of Company Act.	1. Except that Shih himself and his father, Stan Shih, serve as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Shih holds 10,141,777 shares (0.33%) of the Company by himself and his family holds 175,776,370 shares (5.76%) of the Company. 3. There is no condition that Shih, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	0
Ching-Hsiang Hsu	Since 2009, Dr. Ching-Hsiang Hsu has been Chairman of eMemory Technology Inc., the biggest eNVM IP provider in the world, which he founded in 2000 as its President. In addition he has served on the board of directors at National Applied Research Laboratories (NARLabs) since 2018 and as Executive Director of the Taipei Computer Association since 2010. Prior to founding eMemory, Dr. Hsu spent eight years at Taiwan's National Tsing-Hua University (NTHU) and as Chairman of the Institute of Electrical Engineering from 1998 to 2000, and as Professor of the Department of Electronics Engineering from 1992 to 1998. Dr. Hsu worked at IBM T.J. Watson Research Center in the U.S. as researcher from 1987 to 1992. Dr. Hsu graduated from NTHU with a B.S. in Electrical Engineering and received his M.S. and Ph.D. in Electrical Engineering from the University of Illinois, Urbana-Champaign. Renowned for his extensive research and inventions in Non-Volatile Semiconductor Devices, Dr. Hsu holds over 200 patents and has published 120 papers on semiconductors. Dr. Hsu specializes in information technology and consumer discretionary market, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Dr. Hsu, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Hsu, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Hsu, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	1

Criteria / Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Ji-Ren Lee	Dr. Ji-Ren Lee has been Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University since 2002, where he was the Executive Director of EMBA Program from 2005-2008. Before his academic career, Dr. Lee worked at Yulon Motor Co. from 1982 to 1983, and with the subsidiary of a Germany-based multinational corporation, Boehringer Ingelheim Taiwan, from 1985 to 1989. Dr. Lee also serves as an Independent Director of E.Sun Financial Holding Company (since 2007), Delta Electronics (since 2016) and Vivotek Inc. (since 2018). Dr. Lee holds a B.E. from National Tsing Hua University, Taiwan; MBA from the National Taiwan University; and Ph.D. from University of Illinois at Urbana-Champaign Illinois, U.S.A. Dr. Lee specializes in consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Dr. Lee, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Lee, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Lee, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	2
San-Cheng Chang	Dr. San-Cheng Chang is Chairman of the SanCode Education Foundation, Honorary Dean of School of Big Data Management at Soochow University, and former Premier of the Executive Yuan, Taiwan. Dr. Chang began his career as a lecturer, associate professor, and professor at the Department of Civil Engineering of National Taiwan University from 1981 to 1990. He was Director for the National Center for High-Performance Computing from 1991 to 1997. From 1998 to 2000, he was Director of the Department of Planning and Evaluation of National Science Council. Between 2000 and 2010, he served at Acer as Vice President of the e-Enabling Service Business Group, and between 2010 and 2012, he was Regional Director of Google's hardware operations in Asia. Dr. Chang's political career began in 2012 when he was appointed as Minister without Portfolio of the Executive Yuan. In 2014, he served as the minister at the Ministry of Science and Technology. In December 2014, Chang became Vice Premier of the Executive Yuan and subsequently the Premier. With a solid engineering discipline, Dr. Chang earned his bachelor's degree in Civil Engineering from National Taiwan University. He has a master's degree from Stanford University and a Ph.D. from Cornell University in Civil and Environmental Engineering. Dr. Chang specializes in communication service, consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Dr. Chang, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Chang, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Chang, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	0
Yuri Kure	Yuri Kure (Japanese) served in the legal and intellectual property division of a Taiwanese IC design company, before joining Lee and Li Attorneys-at-Law from 2013 to 2018, where she was responsible for providing legal consultation services for clients in the technology, medical and financial sectors. She handled cases for world-class Taiwanese and Japanese enterprises involving international investments, joint ventures, and mergers, while also supporting technology disputes and IP related cases. While she was a member of the Japan Chamber of Commerce and Industry, she hosted speeches for seminars related to international mergers and investments for the Japan-Taiwan Exchange Association and JETRO. Yuri Kure is experienced in legal studies, and has a bachelor of law from the Soka University in Japan, and a masters degree in law from National Taiwan University. Yuri Kure specializes in providing business and legal service, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Yuri Kure, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Yuri Kure, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Yuri Kure, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	0

Board of Directors (BOD) Diversity Policy

Acer Group constantly pay attention to corporate governance, our BOD Diversity Policy is included into Chapter III Enhancing the Function of Board of Directors of "Acer Incorporated Corporate Governance Best-Practice Principles".

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the shareholders meetings. Procedures and arrangement relating to corporate governance shall ensure that, in exercising its authority, the board of directors will comply with laws, regulations, articles of incorporation, and the resolutions of shareholders meetings of the Company.

Regarding the structure of the board of directors, the Company shall determine an appropriate number of board members not less than five persons, in consideration of its business scale, the shareholding of its major shareholders and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

All members of the board shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgment.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Industrial knowledge.
6. International market perspective.
7. Ability to lead.
8. Ability to make decisions.

The specific management objectives of the BOD Diversity Policy

This Policy may make the Board function be more effective. The nomination and selection of board members of the Company is in accordance with the Company's Articles. In addition, there is nomination system to ensure the diversity and independence of the board members. The Company expects to invite and nominate one or more female candidates in the board election, and to select directors with different professional knowledge, for providing different perspectives and contributions to facilitate the Board function.

The implementation of the BOD Diversity Policy

As of the end of 2021, two directors are between 40 to 50 years old and the other directors are all above 60 years old. One director is female and the others are male. One director is Japanese and the others are Taiwanese. The directors' expertise and diversity backgrounds are as follows:

1. Director specializing in operation and sales of Global brand products and services: Jason Chen
2. Director who be devoted in innovation, public and social services: Stan Shih
3. Director specializing in cloud and IC design: Maverick Shih
4. Director specializing in semiconductor industry and having outstanding contribution on the R&D to non-volatile semiconductor component: Ching- Hsiang Hsu
5. Director specializing in strategic organization and business management: Ji-Ren Lee
6. Director specializing in information security and operation of national business, and who had been Premier of Taiwan: San-Cheng Chang
7. Director specializing in legal affairs: Yuri, Kure

Board of Directors' independence

The Company has seven directors, including four independent directors. The ratio of independent directors is 57.14%. Given that the independent directors constitute more than half of the Board of Directors, the independent directors can fully perform their functions to supervise the Company's operation and protect the shareholders' benefits, give their professional opinions without the influences of management team or other directors, and ensure the Board of Directors' independence.

Except Stan Shih and Maverick Shih are father and son relationship among the Company's directors, there is no relationship of spouse or relative within the second degree of kinship among the other directors (including independent directors). Therefore, there is no violation of Paragraph 3, Article 26-3 of Securities and Exchange Act.

The Company has been established the audit committee to replace the supervisor, so doesn't apply for Paragraph 4, Article 26-3 of Securities and Exchange Act.

The backgrounds of current Directors:

Name	Gender	Nationality or Registration	Classification	Age			Marketing	Information Security	Cloud	Semiconductor	IC design	Entrepreneur	Transformation	Investment	Accounting	Academia	NPO Experience	Social / Culture	Legal
				40~50	50~60	Above 60													
Jason Chen	M	R.O.C	Non-independent			✔	✔			✔									
Stan Shih	M	R.O.C	Non-independent			✔	✔					✔	✔				✔	✔	
Maverick Shih	M	R.O.C	Non-independent	✔					✔		✔								
Ching-Hsiang Hsu	M	R.O.C	Independent			✔				✔	✔	✔				✔			
Ji-Ren Lee	M	R.O.C	Independent			✔								✔	✔	✔			
San-Cheng Chang	M	R.O.C	Independent			✔		✔					✔				✔		
Yuri, Kure	F	Japan	Independent	✔															✔

3.2.2 Key Managers (April 12, 2022)

Title	Nationality or Registration	Name	Gender	Date of Accession	Shares Held Directly		Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Position as President or Vice President		
					Number	Percentage	Number	Percentage	Number	Percentage			Title	Name	Relationship
Chairman & CEO (Note 1)	R.O.C	Jason Chen	Male	01/01/2014	2,633,480	0.09	0	0	5,490,056	0.18	Global Marketing Sales Senior Vice General Manager, TSMC Business Administration Master, University of Missouri	1. Chairman, Mu-Jin Investment Co., Ltd. 2. Chairman, Mu-Shi Investment Co., Ltd. 3. Other (Note 2)	-	-	-
Corp.VP & President	France	Emmanuel Fromont	Male	01/01/2011	1,020,000	0.03	0	0	0	0	VP, Acer EMEA, Packard Bell Division MBA, University of Southern California (USC)	(Note 2)	-	-	-
Co-COO	R.O.C	Tiffany Huang	Female	01/01/2013	993,817	0.03	90	0	0	0	AVP of Acer PCGO Supply Chain Operations; acting Operation Analysis Officer of Corp. President Office Bachelor, Department of law of National Chung Hsing University	(Note 2)	-	-	-
Co-COO	R.O.C	Jerry Kao	Male	12/01/2014	766,375	0.03	0	0	0	0	AVP of Acer Note Book Business Group MBA, National Chung Hsing University	(Note 2)	-	-	-
President	USA	Gregg Prendergast	Male	09/01/2015	809,000	0.03	0	0	0	0	American East Director, Texas Instruments Business Bachelor, Temple University	(Note 2)	-	-	-
CTO	R.O.C	RC Chang	Male	09/01/2015	465,135	0.02	0	0	0	0	Department of Computer Science Professor, National Chiao Tung University Computer engineering Doctor, National Chiao Tung University	(Note 2)	-	-	-
President	R.O.C	Andrew Hou	Male	03/25/2016	475,500	0.02	0	0	0	0	Vice General Manager, Lite-On Technology Corporation Computer Science Master, Syracuse University	(Note 2)	-	-	-
President	R.O.C	Victor Chien	Male	03/25/2016	432,506	0.01	11	0	0	0	Associate General Manager, Zenitron Corporation Control Engineering and Management Science Bachelor, National Chiao Tung University	(Note 2)	-	-	-
Corp. Governance Officer	R.O.C	Lydia Wu	Female	05/08/2019	390,903	0.01	0	0	0	0	General Counsel of Acer Global Legal Bachelor, Department of law of National Taiwan University	(Note 2)	-	-	-
Corp. CFO	R.O.C	Meggy Chen	Female	07/01/2017	562,265	0.02	0	0	0	0	AVP of Acer Global Treasury Business Administration Master, UCLA Anderson School of Management	(Note 2)	-	-	-
Accounting Officer	R.O.C	Sophia Chen	Female	07/01/2017	80,680	0	0	0	0	0	CFO of Acer Pan Asia Pacific Region Business Administration Master, University of Pittsburgh	(Note 2)	-	-	-

Note 1: The Company continuously focus on Dual Transformation, which means Acer not only discovers a Niche Market to its core business, but also develops multiple growth engines; to efficiently exercise the limited resource of Acer group, and achieve this challenging and complicated strategy of Dual Transformation, it is periodically necessary for one person to hold a concurrent post of Chairman and CEO. Moreover, to enhance the supervising function to Board, the Company increases the number of Independent Directors to 4 seats, in addition there is no more than half directors hold a concurrent post of employees and executors of the Company.

Note 2: Appointed by Company to be Director and/or President of certain subsidiaries.For further details, please refer to pages 175 to 186.

3.2.3 Remuneration of Directors, President, and Vice Presidents

3.2.3.1 Remuneration of Directors

Unit: NT$ thousands

Title (Note 1)	Name (Note 2)	Remuneration: Base Compensation (A)		Severance Pay (B)		Reward of Directors (C)		Business execution expenses (D)		Total Remuneration (A+B+C+D) and the Ratio of which to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees: Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)				Total Compensation (A+B+C+D+E+F+G) and the Ratio of which to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Jason Chen	1,000	1,000	0	0	4,000	4,000	360	360	Sum 5,360 Ratio 0.05%	Sum 5,360 Ratio 0.05%	24,886	121,153	236	236	8,000	0	48,959	0	Sum 38,482 Ratio 0.35%	Sum 175,708 Ratio 1.61%	None
Director	Stan Shih																					
Director	Hung Rouan Investment Corp.(Representative: Maverick Shih)																					
Independent Director	Ching-Hsiang Hsu	12,300	12,300	0	0	8,000	8,000	480	480	Sum 20,780 Ratio 0.19%	Sum 20,780 Ratio 0.19%	0	0	0	0	0	0	0	0	Sum 20,780 Ratio 0.19%	Sum 20,780 Ratio 0.19%	None
Independent Director	Ji-Ren Lee																					
Independent Director	San-Cheng Chang																					
Independent Director	Yuri Kure																					

Note 1: In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent consultant.

Note 2: As of the published date of the annual report, the cash amount for the employee compensation will be proposed at 7,952 thousand, which is the estimate by the actual allocation ratio of last year.

Range of Remuneration	Name of Directors				
	Total of (A+B+C+D)			Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements
Under NT$ 1,000,000	Stan Shih, Jason Chen	Stan Shih, Jason Chen			
NT$1,000,000 ~ Under NT$2,000,000					
NT$2,000,000 ~ Under NT$3,500,000					
NT$3,500,000 ~ Under NT$5,000,000				Jason Chen	
NT$5,000,000 ~ Under NT$10,000,000	Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure	Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure		Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure	Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure
NT$10,000,000 ~ Under NT$15,000,000					
NT$15,000,000 ~ Under NT$30,000,000				Stan Shih	Stan Shih
NT$30,000,000 ~ Under NT$50,000,000					
NT$50,000,000 ~ Under NT$100,000,000					
NT$100,000,000 & above					Jason Chen
Total	8	8		8	8

3.2.3.2 Remuneration of Supervisors

None

3.2.3.3 Remuneration of the President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)			Employee Compensation (D)				Total Compensation (A+B+C+D+E+F+G) and the Ratio of which to Net Income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements		The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
									Cash	Stock	Cash	Stock			
Chairman & CEO	Jason Chen	53,108	119,151	3,315	8,033	60,802	242,309		69,937	0	155,051	0	Sum 187,162 Ratio 1.72%	Sum 524,544 Ratio 4.81%	None
Co-COO	Tiffany Huang														
Co-COO	Jerry Kao														
Corp. VP & President	Emmanuel Fromont														
President	Gregg Prendergast														
President	Andrew Hou														
President	Victor Chien														
CTO	RC Chang														
Corporate Governance Office	Lydia Wu														
Corp. CFO	Meggy Chen														
Accounting Officer	Sophia YL Chen														

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Under NT$ 1,000,000	Emmanuel Fromont, Gregg Prendergast	
NT$1,000,000 ~ Under NT$2,000,000		
NT$2,000,000 ~ Under NT$3,500,000		
NT$3,500,000 ~ Under NT$5,000,000	Jason Chen	
NT$5,000,000 ~ Under NT$10,000,000	Sophia YL Chen	Sophia YL Chen
NT$10,000,000 ~ Under NT$15,000,000		
NT$15,000,000 ~ Under NT$30,000,000	Andrew Hou, Victor Chien, RC Chang, Meggy Chen, Lydia Wu	Andrew Hou, Victor Chien, RC Chang, Meggy Chen, Lydia Wu
NT$30,000,000 ~ Under NT$50,000,000	Tiffany Huang, Jerry Kao	Tiffany Huang, Jerry Kao
NT$50,000,000 ~ Under NT$100,000,000		Gregg Prendergast
NT$100,000,000 & above		Jason Chen, Emmanuel Fromont
Total	11	11

The distribution of Profit Sharing as employee's compensation to President and Vice Presidents:

Unit: NTD thousand/ thousand shares

Title	Name	Cash Amount	Stock Amount	Total	Ratio of Total Amount to Net Income(%)
Chairman & CEO	Jason Chen	155,051	0	155,051	1.42%
Co-COO	Tiffany Huang				
Co-COO	Jerry Kao				
Corp. VP & President	Emmanuel Fromont				
President	Gregg Prendergast				
President	Andrew Hou				
President	Victor Chien				
CTO	RC Chang				
Corporate Governance Office	Lydia Wu				
Corp. CFO	Meggy Chen				
Accounting Officer	Sophia YL Chen				

3.2.3.4 Compare and explain the company's and all companies in the consolidated statement in the past two years of the total amount of remuneration of the company's directors, supervisors, general managers and deputy general managers as the percentage of the net profit after tax and after having explained the policies, standards, combination of remuneration; setting remuneration procedures; and the relevance of the business performance and the future risks.

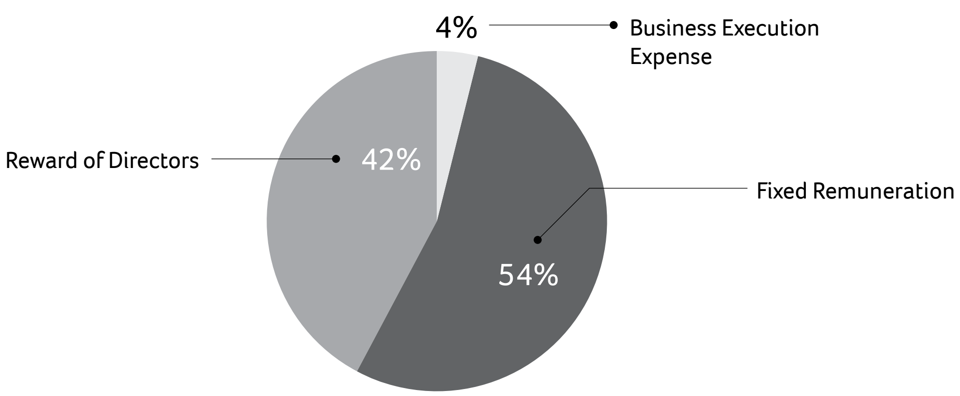
(1) The total amount of remuneration paid to the directors of the company in the last two years as a percentage of the net profit after tax

Title	The proportion of the total remuneration of the company in the net profit after tax in 2020	The total remuneration of all companies in the consolidated statement of the Republic of China in 2020 accounted for the proportion of net profit after tax	The proportion of the total remuneration of the company in the net profit after tax in 2021	The total remuneration of all companies in the consolidated statement of the Republic of China in 2021 accounted for the proportion of net profit after tax
Director	0.39%	0.39%	0.24%	0.24%

1. Remuneration policy, standard and combination

The decision of Directors' remuneration is based on the company's articles of association and the "Principles of remuneration for directors" approved by the remuneration committee and approved by the board of directors. After the resolution of the board of directors, the report of the general meeting of shareholders shall be submitted in accordance with the law. In addition to fixed remuneration and business execution fees (including travel expenses), the director's remuneration is based on the company's operating results and its contribution to the company's performance, as well as the high-tech industry support standards in the Wills Towers Watson annual report. The package would be issued by the remuneration committee after the proposal is submitted to the board of directors for resolution and approval.

In addition, the company's "Principle of remuneration for directors" clearly stipulates that directors (including the chairman) who serve as employees concurrently would only receive employee remuneration but not director's remuneration except for business execution expenses. As to avoid difficulty in distinguishing performance contributions when serving as directors and employees at the same time.



2. Procedure for setting remuneration

According to the Article 16-1 of the company's articles of association, if there is profit in the year, no more than 8% should be allocated as the director's remuneration, and the distribution method will be submitted to the board of directors by the compensation and remuneration committee for decision first, then report it to the shareholders meeting as well. According to the regulations of the company's remuneration committee, the remuneration of directors shall be paid in accordance with the "Principles of Payment of Directors' Remuneration". The principles are as follows: (1) A director who concurrently serves as a manager/employee shall neither receive the director's fixed remuneration nor receive the director's remuneration; (2) Since all independent directors have participated in the audit committee, remuneration committee and investment review committee, they have assumed more responsibilities than ordinary (non-independent) directors. The remuneration will be slightly higher than a general director who does not participate in the committee.

3. Link between performance appraisal and remuneration

The procedure for setting remuneration is based on the Company's "Measures for the Evaluation of the Board's Performance" (including the performance evaluation of various committees). The remuneration of the directors of the company is based on their overall consideration of the company's operational participation and performance evaluation results (such as dedication to company affairs, meeting attendance, continuous education, etc.). The results of the overall evaluation of the performance of the board of directors will be submitted to the board of directors' report in the first quarter of the following year, and the directors' remuneration for that year will be further discussed and decided at the same meeting of the board of directors. In addition, according to the organization rules of the Compensation Committee of the Company, the responsibilities of the Compensation Committee include regular review and regular evaluation of the policies, systems, standards and structures for the performance evaluation and compensation of directors and managers.

4. Relationship between business performance and future risks

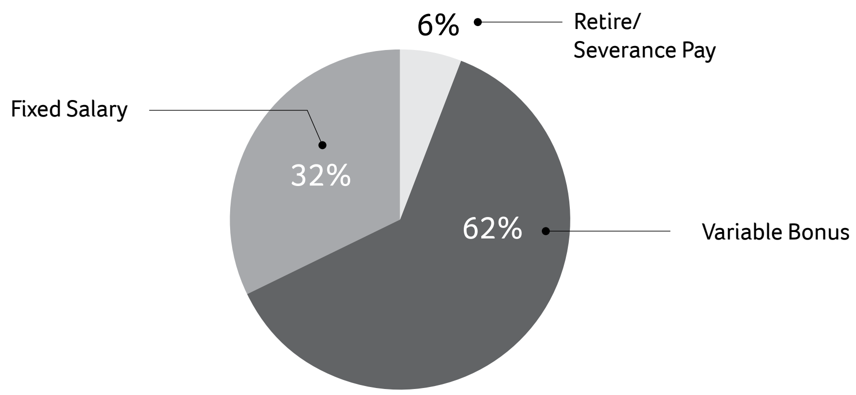
The remuneration of the directors of the company is not only paid with reference to the company's past operating performance, but also the payment standard, structure and system will be flexibly adjusted according to future risk factors. In addition, the Compensation and Remuneration Committee of the Company will also perform its duties, regularly review and evaluate the remuneration of directors, and submit the recommendations to the Board of Directors for discussion, in order to balance the company's sustainable operation and risk control.

(2) In the past two years, the President and Vice President of the company have been paid

Title	The proportion of the total remuneration of the company in the net profit after tax in 2020	The total remuneration of all companies in the consolidated statement of the Republic of China in 2020 accounted for the proportion of net profit after tax	The proportion of the total remuneration of the company in the net profit after tax in 2021	The total remuneration of all companies in the consolidated statement of the Republic of China in 2021 accounted for the proportion of net profit after tax
President and Vice President	3.52%	8.16%	1.72%	4.81%

1. Remuneration policy, standard and combination

The remuneration paid by the company to managers can be divided into salary, bonus and special payment, plus three types of employee remuneration. Salary is the remuneration referred to in the company law, which is determined based on factors such as job title, overall environment and market standards. Remuneration that reflects work performance; items such as bonuses and special expenses are mainly transportation allowances, which are either a certain amount of transportation allowance or a car purchase allowance. Employee remuneration is based on the company's articles of association, and after being passed by the remuneration committee and the board of directors, the annual shareholders' meeting report will be submitted according to law.



2. Procedure for setting remuneration

According to Article 20 of Chapter VI of the Company's Articles of Association, if there is profit in the year, more than 4% of the balance should be allocated as employee compensation; the actual distribution ratio and amount of employee compensation are also determined by the board of directors and reported shareholders meeting. The frequency, date and requirements for payment of employee remuneration shall be handled in accordance with the arrangements and procedures proposed in the annual remuneration committee/board of directors report.

3. Link between performance appraisal and remuneration

Employee remuneration is handled in accordance with the company's bonus policy, which covers the achievement of the company's operational goals and personal annual goals. Company goals include financial (such as company revenue, net profit achievement rate) and non-financial indicators (such as professional development and subsidiary operation participation), personal annual goals (such as risk management and annual operation management capabilities) and corporate social responsibility indicators (Such as the plan and participation in various corporate social responsibility activities). Based on the above-mentioned results, the ratio and amount of the actual distribution of employee remuneration as decided by the Compensation and Remuneration Committee and the Board of Directors in the first quarter of the following year are highly correlated with the company's operating performance.

4. Correlation between business performance and future risks

The company's managers' remuneration, in addition to reference to the relevant industry standards and the company's past operating performance, the payment standard, structure and system will also be reviewed and adjusted at any time in accordance with the actual operating conditions and changes in relevant laws and regulations, and does not seek to guide managers. Engage in behavior that exceeds the company's risk in return for remuneration. In addition, the remuneration committee of the company will also regularly evaluate the remuneration of managers, and submit the suggestions to the board of directors for discussion, in order to balance the sustainable operation of the company and risk control. In addition, the company has established a risk management committee, which is composed of the top executives of each business unit/functional organization at the headquarters, which is responsible for risk management and reports to the board of directors and the audit committee in order to link business performance with future risk management.

Comparing remunerations paid by the company and all companies in the consolidated statements to the directors, CEO, President and Vice president of the Company in the last two years:

There has been no significant change in the proportion of the total remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, CEO, president and vice president to the net profit after tax in the last two years.

3.3 Corporate Governance Status

3.3.1 Meetings Held by the Board of Directors

The Board of Directors held six meetings from Jan. 1, 2021 to Dec. 31, 2021. The record of the Directors' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Chairman	Jason Chen	6	0	100%	
Director	Stan Shih	6	0	100%	
Director	Maverick Shih (Representative of Hung Rouan Investment Corp.)	6	0	100%	
Independent Director	Ching-Hsiang Hsu	6	0	100%	
Independent Director	Ji-Ren Lee	5	1	83%	
Independent Director	San-Cheng Chang	5	1	83%	
Independent Director	Yuri, Kure	6	0	100%	

Other matters that are required to be disclosed:

1. If any of below listed-circumstances of operation of Board Meeting occurs, it's necessary to be disclosure, including dates of board meetings, sessions, the contents of motions, all independent opinions from Independent Directors and the Company's response to such Independent Directors' opinions:

   (1) The matters shall be submitted to the board of directors for approval by resolution in accordance with Article 14-3 of the Securities and Exchange Act.

   (2) In addition to the above (1) mentioned matters, the matters that any independent director objected or expressed reservations which have been recorded or stated in a written statement.

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director
2021.03.17 First 2021 BOD Meeting	To approve the Acer's Statement of Internal Control System for 2020	V	None
	To Approve the Proposal for Profit & Loss Appropriation of 2020	V	None
	To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated	V	None
	To Approve the Amendments of the Internal Rules	V	None
	To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	To Approve the Company's Corporate Guarantees	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director
2021.05.05 Second 2021 BOD Meeting	To Approve the First Quarter of FY2021 Consolidated Financial Statements	V	None
	To adjust the Group Investment Framework	V	None
	To Amend The"Internal Control Procedure of Stock Affairs Unit"	V	None
	To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	To Approve the Company's Corporate Guarantees	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		
2021.08.04 Third 2021 BOD Meeting	To Approve the Second Quarter of FY2021 Consolidated Financial Statements	V	None
	To Approve the Amendments of the Internal Rules	V	None
	To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	To Approve the Company's Corporate Guarantees	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		
2021.11.03 Fourth 2021 BOD Meeting	To Approve the Third Quarter of FY2021 Consolidated Financial Statements	V	None
	To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	To Approve the Company's Corporate Guarantees	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		

2. The Execution Situation of Board Members Abstaining From Discussing and Voting on any Matters Where There is a Conflict of Interest

BOD Meeting Date and Session	Content of Motions	Execution Situation
2021.03.17 First 2021 BOD Meeting	To report 2020 employees' profit sharing bonus and directors' compensation	1. Employee Compensation: The chairman consulted all present directors and obtained unanimously approved to this proposal. 2. The independent directors' compensation: To avoid interest conflicts, Independent Director Ching-Hsiang Hsu, Independent, Director Ji-Ren Lee, Independent Director San-Cheng Chang and Independent Director Yuri, Kure recused themselves from this item in accordance with Article 206 of Company Act, and the chairman consulted other present directors and obtained unanimously approved to this proposal. 3. The non-independent directors' compensation: To avoid interest conflicts, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and the chairman consulted other present directors and obtained unanimously approved to this proposal.
	To get the stocks issued by subsidiary, GTI	To avoid interest conflicts, Chairman Jason Chen recused himself from this item in accordance with Article 206 of Company Act, and Independent Director Ching-Hsiang Hsu consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
	To dispose the stocks of iDSC	To avoid interest conflicts, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and the chairman consulted other present directors and obtained unanimously approved to this proposal.
	Proposal of target bonus for the executives	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
2021.04.16 First 2021 Special Meeting	To Approve Strategic Investment	To avoid interest conflicts, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and chairman consulted other present directors and obtained unanimously approved to this proposal.
2021.05.05 Second 2021 BOD Meeting	Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2020	To avoid interest conflicts, Chairman Jason Chen recused himself from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.

BOD Meeting Date and Session	Content of Motions	Execution Situation
2021.11.03 Fourth 2021 BOD Meeting	Propose the restructure plan of subsidiary, eDC	Given that Director Maverick Shih is the chairman of board of directors of ACSI and Director Stan Shih is a blood relative within the second degree of kinship of Director Maverick Shih so may recused themselves from this item in accordance with Article 206 of Company Act, and chairman consulted other present directors and obtained unanimously approved to this proposal.
	Proposal of target bonus for the executives of the Year 2022	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
	Proposal of Acer Group Global Salary Increase Proposal of the Year of 2022	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.

3. The list company shall disclose the information to the Board's self-evaluation(or peer-evaluation), and the information includes evaluation frequency, period, scope, measures, items etc.:

The Implement of the Evaluation by the Company's Board

Frequency	Period	Scope	Measures	Items
Annual	2021.01.01-2021.12.31	Board Performance Evaluation The Performance Evaluation of the Board of Directors Functional Committee Performance Evaluation	Board's self-evaluation Directors' self-evaluation Peer-Evaluation	Board's self-evaluation 1. Degree of participation in the operation of the Company 2. Enhancing the quality of decision making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal Control Directors' self-evaluation 1. Controlling the target and mission of the Company 2. Acknowledgement of the duties and responsibilities of the directors 3. Degree of participation in the operation of the Company 4. Election and continuing education of directors 5. Election and continuing education of directors 6. Internal Control Functional Committees' self-evaluation 1. Degree of participation in the operation of the Company 2. Acknowledgement of the duties and responsibilities of the functional committee 3. Enhancing the quality of decision making of the functional committee 4. Composition and structure of the functional committee 5. Internal Control

4. The Target and Situation Assessment of Strengthening Board of Directors' Functions in current and most recent year:

   The Company has established following functional committees to actively strengthen board of director functions and implement good corporate governance through every functional committees' teamwork.

   (1) For the purpose of building sound remuneration system of board of director and officer, the Remuneration Committee was established in August 2011 based on Board resolution in accordance with Taiwan Securities and Exchange Act and relevant Authority' ruling, it consists by three independent directors.

   (2) For the purpose of good corporate governance, the Audit Committee was established in June 2014 after board of director re-election by the shareholders meeting; it consists of all independent directors in accordance with Taiwan Securities and Exchange Act and Company Act.

   (3) For the purpose of previewing the investment, joint venture, M&A regarding new business and other strategic investment, the Investment Committee was established in June 2017 by board resolution in accordance with the Company's Articles of Incorporation; it consists of 5 board of directors, and at least 2 of 5 members shall be independent directors.

"Acer's Corporate Governance Best-Practice Principles" have been amended in 2017 and 2019 to strengthen board of directors' function and duties, and we set up a series of targets to enhance board functions, such as the attendance rate of board meeting, an appropriate policy on diversity of board members, and board of directors' performance evaluation, etc.

The performance assessment result of the Board has been publicly disclosed on Acer Group website in accordance with Acer's "Measures for Performance Evaluation of the Board of Directors" from 2017. For details, please visit: https://www.acer-group.com.

3.3.2 Operational Situation of the Audit Committee

The main point to audit as follows:

The Audit Committee is responsible to supervise the Board implementation, enhance management mechanism of Board, and assist to advance Corporate Governance. The material duties includes assistance to execute the flows of accounting, audit, financial report, and advance the quality and integrity of financial control.

- The adoption of or amendments to the internal control system pursuant to Article 14-5 of the Securities and Exchange Act
- Assessment of the effectiveness of the internal control system
- Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others
- A matter bearing on the personal interest of a director
- A material asset or derivatives transaction
- A material monetary loan, endorsement, or provision of guarantee
- The offering, issuance, or private placement of any equity-type securities
- The hiring or dismissal of a certified public accountant, or their Remuneration (including qualification, Independence and Evaluation of the certified public accountant)
- The appointment or discharge of a financial, accounting, or internal audit officer
- Audit financial reports
- Supervise Regulatory Compliance.
- Review Grievance Reports
- Review Fraud-Prevent Plan and Fraud Investigation Report

- Oversee and Evaluate Risk Appetite and Strategy
- Review Operational Situation of the Audit Committee
- Complete the questionnaires of performance self-evaluation of the Committee
- Resolve other material matters as may be required by this Corporation or by the competent authority

Under R.O.C. law, the membership of Audit Committee shall consist of all independent Directors. Acer's Audit Committee satisfies this statutory requirement.

Acer's Audit Committee is empowered by its Charter to conduct any study or investigation it deems appropriate to fulfill its responsibilities. It has direct access to Acer's internal auditors, the Company's independent auditors, and all employees of the Company. The Committee is authorized to retain and oversee special legal, accounting, or other consultants as it deems appropriate to fulfill its mandate.

The Committee meets at least once every quarter.

Please consult Acer's Annual Report for the relevant year for the number of meetings convened and each member's attendance rate.

The Audit Committee held five meetings from Jan. 12, 2021 to Dec. 31, 2021. The record of the Members' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Independent Director	Ching-Hsiang Hsu	4	1	80%	
Independent Director	Ji-Ren Lee	4	1	80%	
Independent Director	San-Cheng Chang	5	0	100%	
Independent Director	Yuri, Kure	5	0	100%	

Other matters that are required to be disclosed:

1. If any of below listed-circumstances of operation of Audit Committee occurs, it's necessary to be disclosure, including dates of board meetings, sessions, the contents of motions, Audit Committee's resolution and the Company's response to such Audit Committee's opinions:

   (1) The matters shall be submitted to Audit Committee for approval and then submitted to the Board for approval by resolution in accordance with Article 14-5 of the Securities and Exchange Act.

   (2) In addition to above (1) mentioned matters, any resolution made by over two-third of the board of directors but not approved by Audit Committee.

Audit Committee Meeting Date and Session	Content of Motions	Matters under Article 14-5 of the Taiwan SEA	Resolution made by over two-third of the board of directors but not approved by Audit Committee
2021.03.17 First 2021 Audit committee	To Approve the 2020 Financial Statements and Business Report	V	None
	To Approve the Proposal for Profit & Loss Appropriation of 2020	V	None
	To approve the issuance of unsecured corporate bond	V	None
	To appove the investment framework adjustment of subsidiaries	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting.		
	Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.		
2021.04.16 First 2021 Special Audit committee	To Approve Strategic Investment	V	None
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting.		
	Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.		
2021.05.05 Second 2021 Audit committee	To Approve the First Quarter of FY2021 Consolidated Financial Statements	V	None
	To adjust the Group Investment Framework	V	None
	To Propose the plan of shareholding diversification of Subsidiaries	V	None
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting.		
	Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.		
2021.08.04 Third 2021 Audit committee	To Approve the Second Quarter of FY2021 Consolidated Financial Statements	V	None
	To join the Subsidiary's injection plan to run the business	V	None
	eDC's division plan of real estate management business to the newly established company	V	None
	To adjust the Investment Framework in EMEA	V	None
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting.		
	Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.		

Audit Committee Meeting Date and Session	Content of Motions	Matters under Article 14-5 of the Taiwan SEA	Resolution made by over two-third of the board of directors but not approved by Audit Committee
2021.11.03 Fourth 2021 Audit committee	To Approve the Third Quarter of FY2021 Consolidated Financial Statements	V	None
	Propose the restructure plan of subsidiary, eDC	V	None
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting.		
	Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.		

2. The Execution Situation of Audit Committee Members Abstaining From Discussing and Voting on any Matters Where There is a Conflict of Interest: None

3. Communication Among Independent Directors and the Company's Chief Internal Auditor and CPAs:

(1) The Company Chief Internal Auditor monthly reports internal audit execution situation to independent directors; and in addition, the Chief Internal Auditor regularly process internal audit report in the quarterly held Audit Committee meeting. She communicates with Audit Committee members about the internal audit results and the improvement; and immediate report will be made to Audit Committee members for special case and circumstances if any.

(2) Audit Committee members and Chief Internal Auditor have good communication, the communication are summarized as below:

Date	Keys of Communication	Communitive Results
2021.03.17 First 2021 Audit committee	1. FY2020 Internal Audit and Fraud Investigation Report 2. FY2020 Statement of Internal Control System 3. To Approve the Amendments of the Internal Rules	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2021.05.05 Second 2021 Audit committee	1. 2021 Q1 Internal Audit and Fraud Investigation Report 2. The "Internal Control Systems of Shareholder Services Unit" which is one of the Company's Internal Control Systems	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2021.08.04 Third 2021 Audit committee	1. 2021 Q2 Internal Audit and Fraud Investigation Report 2. To Approve the Amendments of the Internal Rules	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2021.11.03 Fourth 2021 Audit committee	1. 2021 Q3 Internal Audit and Fraud Investigation Report 2. 2022 Annual Audit Plan	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).

(3) The CPAs the Company appointed regularly process audit or reviewing result report in the quarterly held Audit Committee meeting, and the matters to be communicated with independent directors required by laws and regulations. CPAs will immediate report to Audit Committee members for special case and circumstances if any.

(4) Audit Committee members and CPAs have good communication, the communication are summarized as below:

Date	Keys of Communication	Communitive Results
2021.03.17 First 2021 Audit committee	1. Results of Auditing FY2020 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2021.05.05 Second 2021 Audit committee	1. Results of Reviewing 2021 Q1 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2021.08.04 Third 2021 Audit committee	1. Results of Reviewing 2021 Q2 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2021.11.03 Fourth 2021 Audit committee	1. Results of Reviewing 2021 Q3 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).

3.3.3 Situation of Supervisor's participation in Board Operation

Not Applicable

3.3.4 Enforcement of Corporate Governance Implemented by the Company and Reasons for Discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✔		The Company has enacted Acer's "Corporate Governance Best-Practice Principles" to establish sound corporate governance systems.	No discrepancy
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✔		(1) The Company has enacted related procedures to handle the shareholders' proposals, disputes and litigations, and designated the Office of Shareholders' Affairs, Investment Relations Unit, and Legal Unit to take care of these issues in accordance with these procedures.	No discrepancy
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✔		(2) The Company holds information on the identities of major shareholders and its ultimately controlling persons.	No discrepancy
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✔		(3) The Company has established the appropriate risk control mechanism and firewalls according to Internal Controlling Systems and related procedures such as rules of supervision over subsidiaries, rules governing endorsement and guarantee, and the rules governing acquisitions and dispositions of assets, etc.	No discrepancy
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✔		(4) The Company enacted Regulations on Insider Trading to prevent any illegal activities in terms of insider trading.	No discrepancy
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✔		(1) The Company has set the diversity policy of the board of directors by of issued and valid Acer's Corporate Governance Best Practice Principles. Moreover, the Company expects to invite and nominate one or more female candidates in the next board election, and to select directors with different professional knowledge, for providing different perspectives and contributions to facilitate the Board function.	No discrepancy
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✔		(2) The Company has set up Audit Committee, Remuneration Committee, and Investment Committee.	No discrepancy
(3) Does the company establish a standard to measure the performance of the Board, implement it annually, recommend its result to Board of Directors, and make the result as reference of individual directors' remuneration and his renomination?	✔		(3) The Company has formulated rules and procedures for board of directors' performance assessments, and that each year we conduct regularly scheduled performance assessments of the board of directors, and the result of assessments will be offered to Board of Directors, and the result of assessments will be considered for compensation and renomination of each directors.	No discrepancy
(4) Does the company regularly evaluate the independence of CPAs?	✔		(4) The annual evaluation by the CPA is one of the main duties of the Audit Committee, and being passed by the Board of Directors meeting. The Board of Directors and Audit Committee comprehensively evaluates the independence of CPA based on CPA's Statement of Independence and items stated in relevant regulations. The important evaluation items are summarized as following: a. Whether the management of the Company will respect objective and challenging audit procedures. b. Whether CPA's non-audit service may affect the independence of CPA's auditing. c. Whether CPA firm enacts independence rules and request the itself, staffs and any other person to keep independence in accordance with the Norm of Professional Ethics for CPA, and prohibit insider trading, misusing internal information or any behavior which the security or capital market may be misleading. d. Whether the CPA mandatory rotation is applied and implemented to the lead auditor and review auditor in accordance with competent regulations.	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
4. Does a TWSE/TPEx listed company set up a full/part-time corporate governance unit or personnel to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, assisting board of directors and supervisors in in compliance with laws and regulations, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?	✔		On May 8th, 2019, Board of Directors has resolved that Acer General Counsel acting as Corporate Governance Officer. Pursuant to "Procedures to Standard Operating Procedures for the Handling of Requests made by Directors" set forth by Acer, the Secretary of Board of Directors is appointed as the agenda working group of Board of Directors and functional committees, and Corporate Governance Officer leads the Company's Global Finance, Legal, Office of Shareholders' Affairs, HR, Corporate Venture and relevant departments to comprise a specific Corporate Governance Team to handle related matters as following summary: a. Developing and designing a competent system to improve transparency, compliance and implementation of internal auditing. b. Handling the affairs of Shareholder's meetings, including but not limited preparing and providing Shareholder's meeting notices, agendas and minutes within the prescribed period. c. Sending the board of directors (including independent directors, Audit Committee and other functional committees) the notice, information and materials which will be discussed in the meeting at least 7 days in advance. d. Providing and updating the status of applicable laws and regulations related to the Company's operation and business to assist the board of directors (including independent director) in compliance.	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, including but not limited shareholders, employees, customers, and suppliers, as well as handle all the issues they care for in terms of corporate social responsibilities?	✔		The Company has established the appropriate communication channels with suppliers, buyers, banks, investors and other stakeholders, including a stakeholders section on our website. Also, the "Stakeholder Grievance Mechanism" has been disclosed on Acer Inc.'s official website (http://www.acer-group.com) and there is a public E-mail Box (Whistleblower.acer@acer.com) handled by a dedicated officer. To regulate Acer's actions after being informed of the ethical or other regulatory violation by any person, Acer has stipulated the procedures dealing with incident reports in the Standard of Business Conduct.	No discrepancy
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		✔	The Company's Office of Shareholders' Affairs will take charge in, with the standard which is no less than the one of professional shareholder service agency, the affair of shareholder meeting specifically in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.	The Company's Office of Shareholders' Affairs will take charge in the affair of shareholder meeting specifically.
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✔		(1) The Company has set up Acer Group website (https://www.acer-group.com/ag/en/TW/content/home), both in Mandarin and English, containing the information regarding its finance and operations. The Company also discloses the enforcement of corporate governance in the shareholders' meeting and other institutional investor meetings.	No discrepancy
(2) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✔		(2) The Company has one speaker, one acting speaker and a designated team to be responsible for gathering and disclosing relevant information.	No discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
(3) Does the company announce and declare current annual financial report within 2 months after the close of each fiscal year, and early announce and declare the financial reports of First, Second, Third Quarter and the company's operations of each month within the lawful period?		✔	(3) The Company has announced and declared the first, second and third quarter financial reports and the operation of each month in advance of the legal period. However, the company has a large number of global subsidiaries, which are distributed in different countries, in which the accounting standards and systems are different. Besides, annual reports are not only prepared by ourselves but also audited by accountants. Although it is difficult for the Company to announce and report the annual financial report within two months after the end of the fiscal year, we still completed the announcement and declaration within the period specified in Article 36 of the Securities and Exchange Act.	Only slight gap of the period of announcement and declaration of the annual financial report, the others are all complied with "Corporate Governance Best-Practice Principles".
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✔		a. he relevant information has been disclosed on Acer Inc.'s official website (https://www.acer-roup.com/ag/en/TW/content/home) and the chapter of Corporate Social Responsibility in the annual reports. b. The Company has set up an exclusive web site for the new labor pension system containing information for employees regarding to the laws and regulations, and to offer assistance. c. In additional to the training courses required by authorities, the Company also held related training courses for members of the Board. d. The Company has clearly set forth in the rules for the proceedings of Board meetings, that a director shall voluntarily abstain from voting on a proposal involved with his/her own interests. e. It's stipulated in Acer's "Corporate Governance Best-Practice Principles" that in case the Chairman also acts as the President or the Chairman and President are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased accordingly. Acer has raised the number of independent directors to four. f. Acer has purchased liability insurance for directors and officers. g. The Company has actively participated in community or charitable activities, as the content in the chapter of Corporate Social Responsibility. h. The company has set the targets and strategies of Green Mission measures such as reduction of Greenhouse Gas and Carbon Emissions, Energy and Water saving etc.	No discrepancy

9. Please indicate the improvement that has been done for the results of the corporate governance evaluation issued by the Center for Corporate Governance of TWSE in the most recent year and provide priority measures for those items that have not yet been improved.

(1) The company has completed the priority measures for the item last year as following:

In addition to describing and disclosing corporate conduct and ethics Policy in the annual report and Sustainability Report, we also revise Standards of Integrity Management and Business Conduct to comply with the authorities requirement.

(2) The Company makes the following as the priority measures this year:

Establish a dedicated or concurrent unit for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, disclose the implementation and execution of the unit on our website and annual reports, and report to the board of directors at least once a year.

3.3.5 The Establishment and Enforcement of Remuneration Committee

A. Remuneration Committee held four meetings from Jan. 1, 2021 to December 31, 2021. The record of their attendance is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Independent Director	Ji-Ren Lee	4	0	100%	
Independent Director	San-Cheng Chang	4	0	100%	
Independent Director	Ching-Hsiang Hsu	3	1	75%	

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified.

Date	Meeting	Major Resolutions	Resolution made by over two-third of the board of directors but not approved by Remuneration Committee
2021.03.17	First 2021 REMCO Meeting	2020 Profit Sharing for employees and directors	None
		2020 Annual package proposal of Corporate Officers	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	
2021.05.05	Second 2021 REMCO Meeting	2020 Special Bonus and LTI program Proposal for Corporate Officers	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	
2021.08.04	Third 2021 REMCO Meeting	Establishment of Acer Employee Stock Ownership Trust and Relevant Specifications	None
		2021 Employee Stock Option Certificates of Subsidiary Altos	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	
2021.11.03	Fourth 2021 REMCO Meeting	Proposal of 2022 MBO bonus for the Corporate Officers	None
		Acer Group Global Salary Increase Proposal of the Year of 2022	None
		Proposal of 2022 Global Long Term Incentive program	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	

B. Responsibilities of the Remuneration Committee

The Acer Inc. "Board of Directors and Supervisors Remuneration Guidelines" and "Executive Remuneration Guideline" are proposed by Remuneration Committee, effective upon the approval of Acer Inc. Board of Directors. The compensation of the Board of Directors is defined in "Acer's Articles of Incorporation". Where there are earnings at the end of the fiscal year after making up the losses of previous years. Then, if any balance left over, no more than 0.8% of profits shall be distributed as profit sharing for the Board of Directors and supervisors according to Acer Inc. "Board of Directors and Supervisors Remuneration Guidelines". Employee Director are not entitled to receive Director profit-sharing.

The remuneration of Acer executive is governed under Acer Group "Executive remuneration guideline". The short-term incentive links to both individual and company overall team performance, while the long-term incentive links to long-term shareholders' value. The annual KPIs, which includes a portion of strategic KPIs assigned by the board whether financial or non-financial, ensures the executive team move on the same direction to reach the strategic goal of the company. Standards of Business Conduct (SBC) is reminded and confirmed by each executive on the compensation sign back letter each year.

C. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
Independent Director	Ching-Hsiang Hsu	Since 2009, Dr. Ching-Hsiang Hsu has been Chairman of eMemory Technology Inc., the biggest eNVM IP provider in the world, which he founded in 2000 as its President. In addition he has served on the board of directors at National Applied Research Laboratories (NARLabs) since 2018 and as Executive Director of the Taipei Computer Association since 2010. Prior to founding eMemory, Dr. Hsu spent eight years at Taiwan's National Tsing-Hua University (NTHU) and as Chairman of the Institute of Electrical Engineering from 1998 to 2000, and as Professor of the Department of Electronics Engineering from 1992 to 1998. Dr. Hsu worked at IBM T.J. Watson Research Center in the U.S. as researcher from 1987 to 1992. Dr. Hsu graduated from NTHU with a B.S. in Electrical Engineering and received his M.S. and Ph.D. in Electrical Engineering from the University of Illinois, Urbana-Champaign. Renowned for his extensive research and inventions in Non-Volatile Semiconductor Devices, Dr. Hsu holds over 200 patents and has published 120 papers on semiconductors. Dr. Hsu specializes in information technology and consumer discretionary market, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Dr. Hsu, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Hsu, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Hsu, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	1

Title	Criteria / Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
Independent Director	Ji-Ren Lee	Dr. Ji-Ren Lee has been Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University since 2002, where he was the Executive Director of EMBA Program from 2005-2008. Before his academic career, Dr. Lee worked at Yulon Motor Co. from 1982 to 1983, and with the subsidiary of a Germany-based multinational corporation, Boehringer Ingelheim Taiwan, from 1985 to 1989. Dr. Lee also serves as an Independent Director of E.Sun Financial Holding Company (since 2007), Delta Electronics (since 2016) and Vivotek Inc. (since 2018). Dr. Lee holds a B.E. from National Tsing Hua University, Taiwan; MBA from the National Taiwan University; and Ph.D. from University of Illinois at Urbana-Champaign Illinois, U.S.A.Dr. Lee specializes in consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Dr. Lee, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Lee, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Lee, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	3
Independent Director	San-Cheng Chang	Dr. San-Cheng Chang is Chairman of the SanCode Education Foundation, Honorary Dean of School of Big Data Management at Soochow University, and former Premier of the Executive Yuan, Taiwan. Dr. Chang began his career as a lecturer, associate professor, and professor at the Department of Civil Engineering of National Taiwan University from 1981 to 1990. He was Director for the National Center for High-Performance Computing from 1991 to 1997. From 1998 to 2000, he was Director of the Department of Planning and Evaluation of National Science Council. Between 2000 and 2010, he served at Acer as Vice President of the e-Enabling Service Business Group, and between 2010 and 2012, he was Regional Director of Google's hardware operations in Asia. Dr. Chang's political career began in 2012 when he was appointed as Minister without Portfolio of the Executive Yuan. In 2014, he served as the minister at the Ministry of Science and Technology. In December 2014, Chang became Vice Premier of the Executive Yuan and subsequently the Premier. With a solid engineering discipline, Dr. Chang earned his bachelor's degree in Civil Engineering from National Taiwan University. He has a master's degree from Stanford University and a Ph.D. from Cornell University in Civil and Environmental Engineering. Dr. Chang specializes in communication service, consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.	1. There is no condition that Dr. Chang, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Chang, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Chang, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company.	0

3.3.6 Code of Ethics and Business Conduct

As good corporate citizens Acer Group respect human rights, local communities and compliance with laws, environment, ethics, safety standards, regulations and social norms. Based on our core values of "Serve with honor and work with pride", we have formulated a Standards of Business Conduct (SBC) document to guide us on how we interact with each other, our customers, our business partners, our shareholders and the communities where the Acer Group does business. This is done every day in every decision and every action by each one of us. We continue to build on our reputation for trust, integrity and honesty, both internally and externally, by appreciating people, their diversities and cultures.

You are welcome to visit Acer Group website (http://www.acer-group.com) for the details of our "Standards of Integrity Management & Business Conduct."

Items	Enforcement Status: Yes	No	Summary	Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(1) Has the Company formulated a Board-approved policy related to code of ethics and business Conduct? Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the top management team demonstrated their commitments to implement the policies?	✔		(1) Integrity is the most important core value of Acer's culture. The Board of Directors and the management team are dedicated to enforcing the Company's guideline on corporate conduct and ethics. Apart from a series policies related to business integrity, including "Anti-Bribery and Anti-Corruption Policy" , "Regulations on Insider Trading", "Export Compliance Policy", "Antitrust and Fair Competition Guidelines", "Group Personal Data Protection Management Policy", the Board of Directors approved"Standards of Integrity Management & Business Conduct" on March 16, 2022.	No discrepancy
(2) Has the company established any evaluation system for analyzing its business activities periodically to avoid unethical conducts, and strengthen the preventive measures, when establishing appropriate preventive measures at least against the acts listed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or other higher potential unethical conducts in the relevant policies?	✔		(2) As above-mentioned, Acer formulated and promulgated "Standards of Integrity Management & Business Conduct" and a series policies related to business integrity. Furthermore, Acer established the Integrity Management Promotion Working Group in 2022. The Integrity Management Promotion Working Group uses risk mapping to assess potential threats to the Company's future operations based on the likelihood of various risks and the extent of the damage were they to occur, classifying the risks and ensuring proper prioritization of risk management strategies. At the same time, we use sensitivity analysis and stress testing to undertake further regularly quantitative analysis of relatively high risk business activities in the scope of Acer business, and aggregates the results of these analyses and tests, then drafting follow-up action plans. The assessed items, content and preventive measures have exceeded the relevant provisions of Article 7, Paragraph 2	No discrepancy

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
			of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".	
(3) Has the company established relevant policies for preventing any unethical conduct? Are the implementation of the relevant procedures, guidelines and training mechanism provided in the policies and review the abovementioned policies regularly?	✔		(3) As above-mentioned, Acer has formulated and promulgated Standards of Integrity Management & Business Conduct" and a series policies related to business integrity. The plan to prevent unethical conducts, including normative measures and cycles under the internal control systems; also, there are relevant regulations for the disciplinary and appeal system for employee violations. Furthermore, we arrange new employee orientation and on-the-job training for our employees to prevent any unethical conduct. Most importantly, our Internal Audit Unit would conduct regular audits to raise overall awareness, detect potential misconduct and monitor the procedures compliance, then review the abovementioned policies regularly.	No discrepancy
2. Corporate Conduct and Ethics Compliance Practice				
(1) Has the company conducted investigation regarding unethical records with whomever the Company doing business with, and included business conduct and ethics related clauses in the business contracts?	✔		(1) To avoid transactions with those with unethical records, all business activities in Acer will be conducted by the operation department to review and evaluation of current and potential business partners, and the Legal Unit will review the contracts. Acer will request its Business Partners to enter into a "VENDOR'S LETTER OF DECLARATION" or other documents related to compliance to ensure honesty and integrity in all dealings with or on behalf of Acer. Acer also remind or request appropriate business partners to comply affirm with their compliance with this policy by sending email every year.	No discrepancy
(2) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and the dedicated unit shall report to the board regularly (at least once every year)?	✔		(2)Acer Group has committed ourselves to meeting high standards of law and ethics compliance to carry out our business. The management is required to establish a paragon of placing a high value of corporate conduct and ethics. Acer's corporate governance officer is the chief of Integrity Management Promotion Working Group, in charge of formulating integrity management policy and the relevant measures and supervision, and reports to the Board of Directors at least once a year. Up to the date of this Annual Report published, no severe violation is found.	No discrepancy

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
(3) Has the Company established policies to prevent conflicts of interest and provided appropriate communication and complaint channels?	✔		(3) We have enacted "Standards of Integrity Management & Business Conduct", "Anti-Bribery and Anti-Corruption Policy", "Acer's Corporate Governance Best-Practice Principles" and "Regulations Governing Procedure for Board of Directors Meetings" to prevent the conflicts of interest and provide whistleblower mailbox on our website (http://www.acer-group.com/public/Investor_Relations/corporate.htm).	No discrepancy
(4) Has the Company established effective accounting and internal control systems for the implementation of policies? Besides, has the Company appointed internal auditor to draw up an audit plan based on the risk assessment for preventing from the unethical behaviors, or assigned CPA to audit?	✔		(4) All the implementation of our accounting system, internal control system, and anti-corruption and anti-bribery policies will be part of the risk assessment process. The Internal Audit Unit will perform such execution and compliance according to the annual audit plan, and further entrusting external CPA to carry out an audit.	No discrepancy
(5) Does the Company provide training regarding ethic compliance practice regularly?	✔		(5) Internally, "Standards of Integrity Management & Business Conduct (SBC)" instructs all employees how to do their business practices. Every newly coming staff would be requested to attend internal SBC training, and Acer has regularly held online anti-corruption and anti-bribery courses arranged by HR unit for current staffs. We provided online training 3 times in 2022, and 15,048 employees finished the training. Externally, we will enhance propagating Acer's anti-bribery policy and the integrity management policy and encourage our business partners' compliance by every gathering or opportunity, such as the annual Acer supplier conference, agents and distributor conferences.	No discrepancy
3. Channels for reporting any ethical irregularities				
(1) Has the Company established policy and channels in terms of reporting ethical irregularities and designated competent personnel to handle such matters?	✔		(1) We have established specific channels in terms of reporting ethical irregularities in "Standards of Integrity Management & Business Conduct (SBC) "and "Anti-bribery and anti-corruption policy". Acer has specific reporting systems both in its "Standards of Business Conduct (SBC)" and "Anti-corruption and Anti-bribery Policy". In addition, Acer provides a whistleblower mailbox (Whistleblower.acer@acer.com)on our website for people to report any threats of involvement of fraudulence, corruption, violation of Acer's Standards of Integrity	No discrepancy

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
			Management & Business Conduct, any illegal conducts or conducts violated corporate governance by Acer employee. The Internal Audit Unit, which functions directly under the board of directors, will handle the report exclusively.	
(2) Has the Company established policy and security mechanisms regarding the procedures for responding to the reports of ethical irregularities, follow-up measures after the investigation is completed, and related confidentiality mechanisms?	✔		(2) Acer has further established the "Stakeholder Grievance Mechanism" which details the standard operating procedures and security mechanisms regarding responding to the reports of ethical irregularities, and announced it on acer group's website.	No discrepancy
(3) Has the Company established measures to protect the identity of the informer?	✔		(3) The "Stakeholder Grievance Mechanism" specified that we have to take measures to protect the identity of the informant.	No discrepancy
4. Information Disclosure Has the Company published information relating to the Company's corporate conduct and ethics on its website or Market Observation Post System?	✔		Acer has published information relating to the Standards of Integrity Management & Business Conduct on our website (www.acer-group.com) and Market Observation Post System, and disclosed the relevant promotion results in this annual report.	No discrepancy
5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: No discrepancy				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., promote and demonstrate the company's commitment to ethical standard and provide training to its business partners; review the company's corporate conduct and ethics policy). For details on the implementation of Acer's Corporate Conduct and Ethics, please refer to "Acer's Corporate Governance Best-Practice Principles ".				

3.3.7 Disclosure to the Company's Corporate Governance Principles

The Company has enacted "Corporate Governance Best-Practice Principles" and related internal rules. You are welcome to visit Acer Group website (http://www.acer-group.com) and Mops (http://mops.twse.com.tw).

3.3.8 Any other information would enhance the understanding of the Company's implementation of corporate governance

Board of Directors Training Status

Training Time		Sponsoring Organization	Course	Training Hours	Training Participants (Board of Directors)
From	To				
2021.03.17	2021.03.17	Taiwan Corporate Governance Association	Analysis on economic and industrial trend in the Post-Pandemic Era	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Ji-Ren Lee, San-Cheng Chang, Yuri Kure
2021.05.05	2021.05.05	Taiwan Corporate Governance Association	Ransomware and enterprise operational risk management	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Ji-Ren Lee, San-Cheng Chang, Yuri Kure
2021.07.02	2021.07.02	Taiwan Corporate Governance Association	Corporate governance and security regulations	3	Ching-Hsiang Hsu
2021.07.29	2021.07.29	Taiwan Corporate Governance Association	Internal audit's digital transformation trend and development, plus the impact of Covid-19 on ICT industry	3	Jason Chen, San-Cheng Chang, Yuri Kure
2021.07.29	2021.07.29	Taiwan Corporate Governance Association	Corporate governance and security regulations	3	Jason Chen, Stan Shih, Maverick Shih, San-Cheng Chang, Yuri Kure
2021.07.30	2021.07.30	Taiwan Corporate Governance Association	Ransomware and enterprise operational risk management	3	Jason Chen, Maverick Shih, San-Cheng Chang, Yuri Kure
2021.08.04	2021.08.04	Taiwan Corporate Governance Association	Recent changes in security regulation and the impact of global minimum corporate tax rate and tax transparency on multinational enterprise	1.5	Jason Chen, Stan Shih, Maverick Shih, Ji-Ren Lee, San-Cheng Chang, Yuri Kure
2021.08.10	2021.08.10	Taiwan Corporate Governance Association	The changes to surplus and performance appraisal because of IFRS17	1.5	Stan Shih
2021.09.28	2021.09.28	Taiwan Corporate Governance Association	The impacts of IFRS17 on insurance company's strategic planning	1.5	Stan Shih
2021.11.03	2021.11.03	Taiwan Corporate Governance Association	Current domestic and foreign economic trend and the prospect in 2022	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Ji-Ren Lee, San-Cheng Chang, Yuri Kure
2021.11.09	2021.11.09	Institute of Financial Law and Crime Prevention	Latest development and actual practice on Anti-Money Laundering and Countering the Financing of Terrorism	1.5	Stan Shih

The Implement and continuous education of Chief Corporate Governance Officer

The Implement to the Corporate Governance Matters of 2021:

1. Assisting the Independent Directors and directors to accomplish his/her responsibilities, providing the must materials and arrange the continuous education of directors:
   a. Providing directors the reversion to the laws and regulations of corporate governance matters;
   b. Handling and providing members of meetings the substantial meeting materials, adequate and timely information, and administrative assistances; and
   c. Arranging the independent directors to meet the CPA for figuring out the finance and business status of the Company; assisting directors (including independent directors) to communicate with internal chief audit officer for the matters of internal control.
2. Assisting the procedures and resolutions of the Board and Shareholder meetings with legal compliance:
   a. Reporting to the implement of the relevant corporate governance affairs to the Board, independent directors and members of Audit Committee;
   b. Ensuring all the procedures of shareholding and Board meetings in accordance with relevant laws and the guidance of corporate governance;
   c. Assisting and reminding the directors to comply with laws when executing business or reaching a resolutions of Board meetings; and
   d. Reviewing that the resolutions whether applying to the public announce requirements, ensuring the announcement is legally and accurate to protect the investors using these information to their transactions.
3. Responsible to issue the notice and provide necessary materials 7 days prior to the date of Board meeting, notifying the interest conflicts to the proposed items in advance, and producing the meeting minutes within 20 days after the Board meeting.
4. Urging to arrange and register the date of shareholder meetings in advance, producing the meeting notices, agenda, minutes, and registration to the reversion of the Company Article of Incorporation within statuary period.

The continuous education of Chief Corporate Governance Officer on 2021

Institute	Name of Courses	Date	Period
Taiwan Corporate Governance Association	Analysis on economic and industrial trend in the Post-Pandemic Era	2021.03.17	1.5 hours
Taiwan Corporate Governance Association	Ransomware and enterprise operational risk management	2021.05.05	1.5 hours
Taiwan Corporate Governance Association	Internal audit's digital transformation trend and development, plus the impact of Covid-19 on ICT industry	2021.07.29	3 hours
Taiwan Corporate Governance Association	Corporate governance and security regulations	2021.07.29	3 hours
Taiwan Corporate Governance Association	Recent changes in security regulation and the impact of global minimum corporate tax rate and tax transparency on multinational enterprise	2021.08.04	1.5 hours
Taiwan Corporate Governance Association	Current domestic and foreign economic trend and the prospect in 2022	2021.11.03	1.5 hours

3.3.9 Statement of Internal Control System

3.3.9.1 A Statement on Internal Control

Date: March 16, 2022

Based on the findings of a self-assessment, Acer Incorporated (hereinafter, the "Company") states the following with regard to its internal control system during year 2021:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and managers. The Company has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safe-guarding of assets), (2) reliability, timeliness, transparency, and regulatory compliance of reporting, and (3) compliance with applicable laws, regulations and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and the Company promptly takes corrective actions whenever a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter, the "Regulations"). The criteria adopted by the Regulations identify five constituent elements of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each constituent element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that, as of December 31, 2021, its internal control system (including its supervision of subsidiaries), was effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be an essential content of the Company's Annual Report for the year 2021 and Prospectus, and will be publicly disclosed. Any false-hood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchanged Act.
7. This Statement has been passed by the Board of Directors in their meeting held on March 16, 2022, with 0 of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Acer Incorporated

CEO　　　　Chairman

3.3.9.2 Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report

None

3.3.10 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements

None

3.3.11 Resolutions of the Board of Directors' Meeting and the General Shareholders' Meeting

Resolutions of the Board of Directors' Meeting

Date	Meeting	Major Resolutions
2021.03.17	The First 2021 BOD Meeting	• To report 2020 employees' profit sharing bonus and directors' compensation • To Approve the 2020 Financial Statements and Business Report • To approve the Acer's Statement of Internal Control System for 2020 • To Approve the Proposal for Profit & Loss Appropriation of 2020 • To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated • To Approve the Amendments of the Internal Rules • To approve the issuance of unsecured corporate bond • To Convene the 2021 General Shareholders' Meeting • To adjust the investment framework of AGM and related subsidiaries • To get the stocks issued by subsidiary, GTI • To approve the investment framework adjustment of subsidiaries • To Propose the plan of shareholding diversification of Subsidiaries • To dispose the stocks of iDSC • To Approve the Acquiring or Disposing of ROU Assets in the Group • To Approve the Company's Corporate Guarantees • To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others • Proposal of target bonus for the executives
2021.04.16	The First 2021 Ac-hod BOD Meeting	• To Approve Strategic Investment
2021.05.05	The Second 2021 BOD Meeting	• To Approve the First Quarter of FY2021Consolidated Financial Statements • To adjust the Group Investment Framework • To Propose the plan of shareholding diversification of Subsidiaries • To Amend The “Internal Control Procedure of Stock Affairs Unit” • To Approve the Acquiring or Disposing of ROU Assets in the Group • To Approve the Company's Corporate Guarantees • To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others • Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2020
2021.05.28	The Second 2021 Ac-hod BOD Meeting	• To Approve Strategic Investment • To postpone the 2021 General Shareholders' Meeting
2021.08.04	The Third 2021 BOD Meeting	• To Approve the Second Quarter of FY2021 Consolidated Financial Statements • To join the Subsidiary's injection plan to run the business • eDC's division plan of real estate management business to the newly established company • To adjust the Investment Framework in EMEA • To Propose the plan of shareholding diversification of Subsidiaries • To Approve the Amendments of the Internal Rules

Date	Meeting	Major Resolutions
		• To Approve the Acquiring or Disposing of ROU Assets in the Group • To Approve the Company's Corporate Guarantees • To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others • To approve the subsidiary, ALT, issuing 2021 share warrant • To establish Employee Stock Ownership Trust and relevant rules
2021.11.03	The Forth 2021 BOD Meeting	• To Approve the Third Quarter of FY2021 Consolidated Financial Statements • To Approve the 2022 Business Plan • To Approve the Acer's Annual Audit Plan for 2022 • Propose the restructure plan of subsidiary, eDC • To Propose the plan of shareholding diversification of Subsidiaries • To Approve the Acquiring or Disposing of ROU Assets in the Group • To Approve the Company's Corporate Guarantees • To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others • Proposal of target bonus for the executives of the Year 2022 • Proposal of Acer Group Global Salary Increase Proposal of the Year of 2022

Implementation of Resolutions in 2021 General Shareholders' Meeting

Major Resolutions	Carries out the Situation
1. Ratification Proposal of the Financial Statements and Business Report for the Year 2020	The shareholder resolution was adopted and approved as proposed.
2. Discussion Proposal of Profit & Loss Appropriation for the Year 2020	To set July 6, 2021 and August 5, 2021 as the record date and the distribution date of ex-dividend respectively. (Distribution ratio for cash dividend : NT$1.5 per share)
3. To Approve the Proposal of Amendments to Acer's Internal Rule: I. Procedures Governing Acquiring or Disposing of Assets II. Procedures Governing Lending of Capital to Others	The shareholder resolution was adopted and approved as proposed.

3.3.12 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof

None

3.3.13 Summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, chief corporate governance officer and principal research and development officer

None

3.4 Information Regarding the Company's Audit Fee and Independence

3.4.1 Audit Fee

Unit: NTD Thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Note
KPMG	Huei-Chen Chang Ching-Wen Kao	01/01/2021– 12/31/2021	22,582	3,958	26,540	

Note: The fees were mainly related to sustainability and tax compliance audit, etc.

3.4.1.1 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed

None

3.4.1.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed

None

3.5 Information on replacement of certified public accountant

The Company changed its certified public accountant (CPA) for internal adjustments within the attesting accounting firm in accordance with applicable laws in 2021.

3.6 The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm

None

3.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2021		As of April 12, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CEO	Jason Chen	0	0	0	0
Director	Stan Shih	0	0	0	0
Director	Hung Rouan Investment Corp.	0	0	0	0
Legal Representative of Director	Maverick Shih (Representative of Hung Rouan Investment Corp.)	0	0	0	0
Independent Director	Ching-Hsiang Hsu	0	0	0	0
Independent Director	Ji-Ren Lee	0	0	0	0
Independent Director	San-Cheng Chang	0	0	0	0
Independent Director	Yuri, Kure	0	0	0	0
Corp.VP & President	Emmanuel Fromont	270,000	0	0	0
Co-COO	Tiffany Huang	271,000	0	0	0
Co-COO	Jerry Kao	137,000	0	0	0
President	Gregg Prendergast	210,000	0	0	0
CTO	RC Chang	95,000	0	0	0
President	Andrew Hou	110,000	0	0	0
President	Victor Chien	110,000	0	0	0
Corp. Governance Officer	Lydia Wu	100,000	0	0	0
Corp. CFO	Meggy Chen	125,000	0	0	0
Accounting Officer	Sophia Chen	68,000	0	0	0

Shares Trading information

None

Shares Pledge information

None

3.8 Relationship among the Top Ten Shareholders (April 12, 2022)

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Hung Rouan Investment Corp.	73,629,933	2.42%	0	0.00%	0	0.00%	Stan Shih	The spouse of this company's Chairman	-
Representative: Carolyn Yeh	399,225	0.01%	34,989,531	1.15%	0	0.00%			
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Fund under the custody of Taishin Bank	56,914,000	1.87%	0	0.00%	0	0.00%	-	-	-
Fubon Taiwan high dividend 30 ETF	43,421,000	1.42%	0	0.00%	0	0.00%	-	-	-
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	40,086,897	1.32%	0	0.00%	0	0.00%	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	37,354,771	1.23%	0	0.00%	0	0.00%	-	-	-
Stan Shih	34,989,531	1.15%	399,225	0.01%	0	0.00%	Hung Rouan Investment Corp.	This company's Chairman is the spouse of the stakeholder to this company	-
Yo-Juang Investment Corp.	33,460,000	1.10%	0	0.00%	0	0.00%	-	-	-
iShares ESG Aware MSCI EM ETF	29,016,000	0.95%	0	0.00%	0	0.00%	-	-	-
Acer GDR	28,526,295	0.94%	0	0.00%	0	0.00%	-	-	-
JPMorgan Chase Bank N.A. Taipei Branch in custody for Universities Superannuation Scheme Limited	24,617,000	0.81%	0	0.00%	0	0.00%	-	-	-

Note: The total share proportion held by all family members of Stan Shih is 6.09%.

3.9 Ownership of Shares in Affiliated Enterprises (December 31, 2021)

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Acer European Holdings SA	147,000	100.00%	0	0.00%	147,000	100.00%
Boardwalk Capital Holdings Limited	1,263,432,141	92.02%	109,639,200	7.98%	1,373,071,341	100.00%
Acer Digital Service Co.	66,214,874	100.00%	0	0.00%	66,214,874	100.00%
Cross Century Investment Limited	company limited	100.00%	0	0.00%	company limited	100.00%
Acer Holdings International, Incorporated	191,155,465	100.00%	0	0.00%	191,155,465	100.00%
Acer SoftCapital Incorporated	158,475,324	100.00%	0	0.00%	158,475,324	100.00%
Weblink International Inc.	48,073,116	58.93%	1,915,096	2.35%	49,988,212	61.28%
Acer Gadget Inc.	12,539,736	100.00%	0	0.00%	12,539,736	100.00%
Acer Cyber Security Incorporated	10,971,018	64.54%	0	0.00%	10,971,018	64.54%
Acer BeingWare Holding Inc.	130,308,478	100.00%	0	0.00%	130,308,478	100.00%
Sertec (Beijing) Ltd.	company limited	100.00%	0	0.00%	company limited	100.00%
Acer China Venture Corp.	company limited	100.00%	0	0.00%	company limited	100.00%
Acer China Venture Partnership	partnership	93.33%	partnership	6.67%	partnership	100.00%
StarVR Corporation	441,050	66.81%	0	0.00%	441,050	66.81%
AOPEN Inc.	28,970,000	40.55%	2,901,000	4.06%	31,871,000	44.61%
Acer e-Enabling Data Center Incorporated	44,462,350	100.00%	0	0.00%	44,462,350	100.00%
Bluechip Infotech Pty Ltd	1,420,734	28.10%	570,000	11.27%	1,990,734	39.37%
Highpoint Service Network Corporation	10,742,881	66.27%	1,018,852	6.29%	11,761,733	72.56%
Acer Gaming Inc.	6,775,489	52.00%	944,773	7.25%	7,720,262	59.25%
Acer Asset Management Incorporated	10,000,000	100.00%	0	0.00%	10,000,000	100.00%
Acer Synergy Tech Corp.	107,718,900	100.00%	0	0.00%	107,718,900	100.00%
Smart Frequency Technology Inc.	13,200,000	55.00%	0	0.00%	13,200,000	55.00%
AcerPure Inc.	8,221,900	100.00%	0	0.00%	8,221,900	100.00%

Capital and Shares

4

4.1 Sources of Capital

4.1.1 Sources of Capital (April 12, 2022)

Unit: Share/NTD Thousands

Date	Price of Issuance	Authorized Common stock		Paid-in Common stock		Note
		Shares	Value	Shares	Value	
September, 2020	Share/NTD10	4,000,000,000	40,000,000	3,047,853,828	30,478,538	-

Unit: Share

Shares Category	Authorized capital			Note
	Issued shares	Non-issued	Total	
Common shares	3,047,853,828	952,146,172	4,000,000,000	-

4.1.2 Shareholding Structure (April 12, 2022)

Unit: Share

Category Number	Government Institution	Financial Institution	Other Institution	Individual	FINI and Foreign Investors	Total
No. of Shareholders	7	28	522	299,203	1,167	300,927
Shares	10,942,323	68,616,612	297,807,976	1,635,522,699	1,034,964,218	3,047,853,828
Percentage	0.36%	2.25%	9.77%	53.66%	33.96%	100.00%

4.1.3 Distribution of Shareholdings (April 12, 2022)

Category	The Number of Shareholders	Shares	Percentage
1 ~ 999	107,497	25,681,733	0.84%
1,000 ~ 5,000	139,221	303,613,215	9.96%
5,001 ~ 10,000	27,058	207,267,761	6.80%
10,001 ~ 15,000	9,136	113,217,186	3.71%
15,001 ~ 20,000	5,285	96,235,988	3.16%
20,001 ~ 30,000	4,679	116,789,037	3.83%
30,001 ~ 40,000	2,238	79,113,279	2.60%
40,001 ~ 50,000	1,451	67,001,624	2.20%
50,001 ~ 100,000	2,328	164,300,705	5.39%
100,001 ~ 200,000	1,077	150,566,486	4.94%
200,001 ~ 400,000	427	117,898,256	3.87%
400,001 ~ 600,000	137	66,422,129	2.18%
600,001 ~ 800,000	77	53,557,788	1.76%
800,001 ~ 1,000,000	42	37,819,463	1.24%
1,000,001 and above	274	1,448,369,178	47.52%
Total	300,927	3,047,853,828	100.00%

Preferred shares: None

4.1.4 List of Major Shareholders (April 12, 2022)

Name \ Item	Shares	Percentage
Hung Rouan Investment Corp.	73,629,933	2.42%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Fund under the custody of Taishin Bank	56,914,000	1.87%
Fubon Taiwan high dividend 30 ETF	43,421,000	1.42%
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	40,086,897	1.32%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	37,354,771	1.23%
Stan Shih	34,989,531	1.15%
Yo-Juang Investment Corp.	33,460,000	1.10%
iShares ESG Aware MSCI EM ETF	29,016,000	0.95%
Acer GDR	28,526,295	0.94%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Universities Superannuation Scheme Limited	24,617,000	0.81%

Note: The total share proportion held by all family members of Stan Shih is 6.09%.

4.1.5 Market Price Per Share, Net Value, Earning& Dividend For Last Two Years

Unit: NTD

Item \ Period			2020	2021	Until Mar. 31, 2022
Market Price Per Share	Highest		26.70	35.85	31.15
	Lowest		12.80	23.25	26.50
	Average		19.82	28.13	29.46
Net Value Per Share	Before Distribution		20.09	21.22	-
	After Distribution		18.57	18.94 (Note)	-
Earning Per Share	Weighted Average Share Numbers		3,006,934 Thousand shares	3,001,108 Thousand shares	-
	Earning Per Share	Current	2.01	3.63	-
		Adjusted	1.99	3.60(Note)	-
Dividend Per Share	Cash Dividend (NTD)		1.50	2.28(Note)	-
	Stock Dividend	Retained Earning (%)	0	0(Note)	-
		Capital Surplus (%)	0	0(Note)	-
	Accumulated unpaid dividends		0	0(Note)	-
Return on Investment Analysis	P/E Ratio		9.86	7.75(Note)	-
	P/D Ratio		13.21	12.34(Note)	-
	Cash Dividend Yield		7.57%	8.11%(Note)	-

Note: The appropriation of 2021 earnings had been proposed by the Board of Directors on March 16, 2022, which included the distribution of cash dividends.

4.1.6 Dividend Policy and the Execution

4.1.6.1 Dividend Policy

Due to rapid changes of the industrial situation and development trend, the Company's dividend strategy depends on annual earnings and external environments, therefore, the Company adopts balance dividend policy in accordance with relevant laws and regulations: Cash dividends shall be distributed at least ten percent of total annual dividends, such policy has been approved at the General Shareholder's Meeting held on June 17, 2004.

4.1.6.2 Dividends of the Company Proposed to 2022 General Shareholders Meeting

1. The Board of Directors proposed FY2021 dividends to 2022 General Shareholders Meeting as following:

   The beginning balance of the un-appropriated retained earnings of this Company is NT$7,074,690 in 2021. After plus the net income after tax of 2021, the disposal gain or loss of financial assets at fair value through other comprehensive income, and set aside legal reserve, and special reserve in accordance with applicable laws and regulations, the total accumulative retained earnings available for appropriation is NT$6,972,855,599. It is proposed to distribute NT$6,949,106,727 as the dividends to the shareholders. The ending balance of the unappropriated retained earnings is NT23,748,872, which is reserved for distribution in the future.

   All dividends will be paid in the form of cash distributions to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a ratio of NT$2.28 per share which resolved by the Board on March 16, 2022.(Rounded down to NT$1 and the residue will be calculated and booked as the Company's other income).
2. Should the cash distribution be adjusted due to the amendment of laws or regulations, a request by competent authorities, or any change of the numbers of outstanding share, subject to the approved distribution, it is proposed the General Shareholders' Meeting to authorize the chairman of Board of Directors with full power to adjust the distribution ratio.
3. The record date for ex-dividend is temporarily set on July 6, 2022, and the distribution date is set on August 4, 2022. Should the dates above be adjusted due to the amendment of laws or regulations, a request by competent authorities, it is proposed to authorize the chairman of Board of Directors with full power to adjust accordingly.

4.1.7 Analysis on Impact of Proposed Stock Dividends Appropriation in Terms of Operating Results, Earnings Per Share and Rate of Return of Shareholders' Investment

Not Applicable

4.1.8 Compensation of Employees, Directors, and Supervisors

1. Remuneration of the Board of Directors and Employee Compensation Stipulated in Acer's Articles of Incorporation:

   (1) Remuneration of the Board of Directors:

   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.

(2) Employees' Compensation Resulted from Annual Earnings:

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.

2. The standard of accruing employee compensation and remuneration of the Board of Directors and Supervisors, the standard of distributing employees' compensation in the form of stock bonus, and the accounting treatment of difference between the actual distribution amount and the accrued amount:

The Company accrues employee compensation and remuneration of the Board of Directors proportionally from the pre-tax income which referred in Acer's Articles of Incorporation before deducting employee compensation and remuneration of the Board of Directors. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the difference should be treated as changes in accounting estimates and adjusted in the following year.

3. Distribution of Remuneration of the Board of Directors and Employee Compensation:

(1) The total amount of employees' compensation distributed in the form of either cash or stock bonus, and Remuneration of the Board of Directors. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment:

- The total amount of employees' 2021 profit sharing bonus is NT$720,000,000, and the total amount of Board Directors' 2021 compensation is NT$12,000,000. The Board of Directors approved the proposal of employees' 2021 profit sharing bonus and Board Directors' compensation on March 16, 2022. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.
- There is difference of NT$17,819,168 between the actual distribution amount and the accrued amount, and this difference will be recognized as profit or loss at next year.

(2) The proportion that the amount of employees' compensation distributed in stock bonus to net income stated in this year financial statement or individual financial reports, and the total amount employee compensation: Not applicable.

4. The actual distribution to the remunerations to employees, Directors and Supervisors of Last Fiscal Year (including distributed shares, amount and price of shares). Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment:

	FY2020		
	Dividend Distribution Proposed by the BOD	Actual Dividend Distribution	
		Amount	Share
Remunerations to Employees is (paid in cash)	NT$480,000,000	NT$480,000,000	-
Remunerations to Employees (paid in stock by market value)	NT$0	NT$0	0 Share
Remunerations to Directors	NT$10,013,320	NT$10,013,320	-
Total	NT$490,013,320	NT$490,013,320	0 Share

4.1.9 The Execution for Shares Buyback

None

4.2 Corporate Bonds

Corporate Bonds		Acer Inc. 1st Unsecured Corporate Bond in 2021	Acer Inc. 2nd Unsecured Corporate Bond in 2021
Issuing Date		April 27, 2021	August 26, 2021
Denomination		NTD$1,000,000	NTD$1,000,000
Listing		R.O.C	R.O.C
Issue Price		NTD$100	NTD$100
Issue Size		NTD 5,000,000,000	NTD 5,000,000,000
Coupon Rate		0.76%	0.62%
Maturity Date		5 years Maturity Date: April 27, 2026	5 years Maturity Date: August 26, 2026
Guarantor		None	None
Trustee		Bank SinoPac Co., Ltd.	CTBC Bank Co., Ltd.
Underwriters		Fubon Securities Co., Ltd.	CTBC Bank Co., Ltd.
Legal Counsel		Not applicable	Not applicable
Auditor		Not applicable	Not applicable
Repayment		Principal Repaid in a Lump Sum at Maturity	50% of the principal will be paid at the end of the fourth and fifth years respectively
Outstanding		NTD 5,000,000,000	NTD 5,000,000,000
Redemption or Early Repayment Clause		None	None
Covenants		None	None
Credit Rating		Issuing company rating agency: Taiwan Ratings Rating Scale: twA Rating Date: March 4, 2021	Issuing company rating agency: Taiwan Ratings Rating scale: twA Rating Date: March 4, 2021
Other rights of Bondholders	Amount of Converted or Exchanged Common Shares,GDRs or Other Securities	None	None
	Conversion Right	None	None
Dilution Effect and Other Adverse Effects on Existing Shareholders		Not applicable	Not applicable
Paying & Conversion Agent		None	None

4.3 Special Shares

None

4.4 Global Depository Receipts (GDRs) Issuance (March 31, 2022)

<table>
<tr><th colspan="3">Date of issuance
Description</th><th>November 1,1995</th><th>July 23, 1997</th></tr>
<tr><td colspan="3">Date of issuance</td><td>November 1,1995</td><td>July 23, 1997</td></tr>
<tr><td colspan="3">Location of issuance and transaction</td><td>London</td><td>London</td></tr>
<tr><td colspan="3">Total amount of issuance</td><td>US$220,830,000</td><td>US$160,600,000</td></tr>
<tr><td colspan="3">Unit price of issuance</td><td>US$32.475</td><td>US$40.15</td></tr>
<tr><td colspan="3">Total number of units issued</td><td>6,800,000units</td><td>4,000,000units</td></tr>
<tr><td colspan="3">Sources of valuable securities demonstrated</td><td>Capital increased in cash</td><td>Capital increased in cash</td></tr>
<tr><td colspan="3">Number of valuable securities demonstrated</td><td>Each unit stands for Acer's 5 common shares</td><td>Each unit stands for Acer's 5 common shares</td></tr>
<tr><td colspan="3">Rights and obligations of GDR holders</td><td>Same as Acer's common shareholders</td><td>Same as Acer's common shareholders</td></tr>
<tr><td colspan="3">Consignee</td><td>None</td><td>None</td></tr>
<tr><td colspan="3">Depository organization</td><td>Citicorp</td><td>Citicorp</td></tr>
<tr><td colspan="3">Custodian organization</td><td>Citibank Taipei Branch</td><td>Citibank Taipei Branch</td></tr>
<tr><td colspan="3">Balance not retrieved</td><td colspan="2">5,705,240 units of Global Deposit Receipt as representing 28,526,295 shares of common stocks</td></tr>
<tr><td colspan="3">Method to allocate fees incurred during the period of issuance and existence</td><td>The expenses incurred by issuance being taken to offset premium reserve. Expenses incurred during existence being taken as expenses of the current term.</td><td>The expenses incurred by issuance being taken to offset premium reserve. Expenses incurred during existence being taken as expenses of the current term.</td></tr>
<tr><td colspan="3">Any key issue for the depository and custodian agreements</td><td>None</td><td>None</td></tr>
<tr><td rowspan="6">Market Price Per Share</td><td rowspan="3">2021</td><td>Highest</td><td colspan="2">US$ 9.38</td></tr>
<tr><td>Lowest</td><td colspan="2">US$ 4.21</td></tr>
<tr><td>Average</td><td colspan="2">US$ 5.07</td></tr>
<tr><td rowspan="3">Until March 31, 2022</td><td>Highest</td><td colspan="2">US$ 5.62</td></tr>
<tr><td>Lowest</td><td colspan="2">US$ 3.98</td></tr>
<tr><td>Average</td><td colspan="2">US$ 5.10</td></tr>
</table>

4.5 Employee Stock Options

None

4.6 Restricted Stock Awards

None

4.7 Issuance of New Shares Due to Company's Mergers and Acquisitions

None

4.8 Issuance of New Shares by Cash

None

Acer's Business Formula

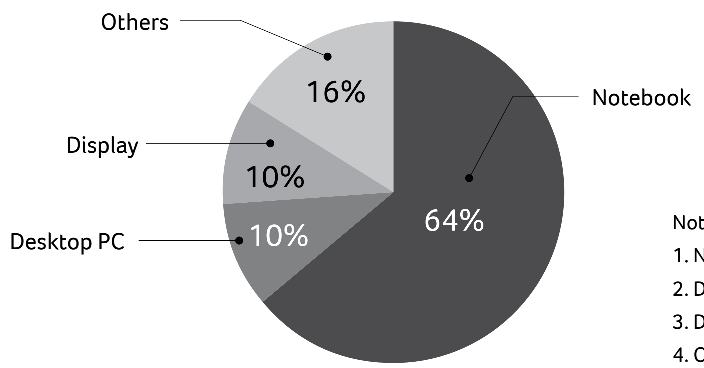
5

5.1 Business content

5.1.1 Business Scope

5.1.1.1 Business Portfolio

Founded in 1976, Acer is now one of the world's top ICT companies and has a presence in over 160 countries. As Acer evolves with the industry and changing lifestyles, it is focused on enabling a world where hardware, software and services will fuse with one another, creating ecosystems and opening up new possibilities for consumers and businesses alike. Acer's 7,700 employees are dedicated to the research, design, marketing, sale, and support of products and solutions that break barriers between people and technology.



2021
NT$319,005 Million

Notes:
1. NB includes detachable 2-in-1 NB PC.
2. Desktop PC excludes displays.
3. Display includes desktop monitor and projector.
4. Others include servers, android device, service, accessories, and subsidiaries.

5.1.1.2 Industry Highlights

1. Status and Opportunity: With growing concerns on climate change, brands from across industries have been increasing their efforts to help reduce the impact on our planet. Efforts vary from changing the way they operate to reduce their carbon footprint, using green materials, green energy, and more. Acer believes that it is everyone's responsibility to do the right thing for a greener environment. Acer's key focuses in the past year have been to maintain its business momentum and march towards a more sustainable future.

   Since 2012 it has set and steadily achieved its carbon reduction targets. Acer also joined the RE100 initiative and pledged to source 100% renewable energy by 2035. Moreover, through its "Earthion" platform that unites employees and supply chain partners to tackle environmental challenges, Acer announced the Vero line of green products which utilize recycled materials and recyclable packaging.

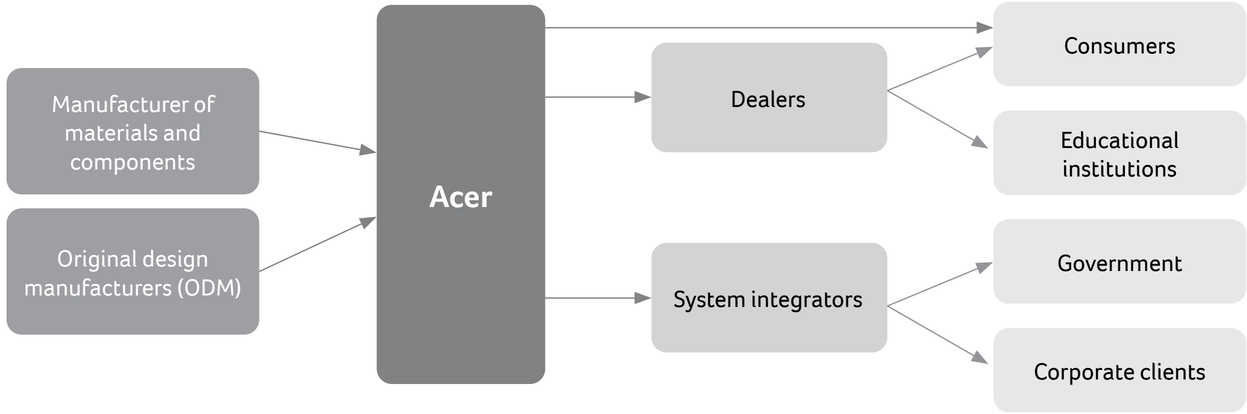
   The digital infrastructure developments led by AI and 5G has enabled a new network connecting everyone to all kinds of devices. The superfast data speed, reliability, huge network capacity, and efficient energy usage will enable new applications, opportunities and challenges across industries.

   AIoT is the convergence of artificial intelligence (AI) and internet of things (IoT) technologies and solutions, which leads to smarter networks and systems that are becoming ever more capable of solving problems across a diverse number of industry verticals. The direct connectivity of AIoT devices to the cloud has opened the way for a wider scope of innovation. AI adds value to IoT with big data analytics and machine learning to more sophisticated decision making, while IoT brings the additional benefits of connectivity, signaling, and data exchange to AI. Smart medical, transportation or cities are examples of the various solutions being developed by Acer through AIoT.

The COVID-19 pandemic has propelled a surge in digitization and connectivity through the internet and cloud, and the need to step up security measures to ensure the information of companies and organizations stays safe against cyberattacks. Acer Cyber Security, an Acer subsidiary, is an established leader of cyber security business in Taiwan and offers solutions in this realm.

For most parts of the pandemic, restrictions applied to people across the globe to work and learn from home has resulted in huge demands for notebook PCs, Chromebooks, and other mobile devices. Also, as people learned to adopt the stay-at-home culture, demands for monitors for more comfortable and spacious viewing, home entertainment devices also saw growth, such as a popular gaming console distributed by Acer Gaming and the Acer subsidiary, Weblink International, in Taiwan. The pandemic has also raised awareness of self-hygiene, for which, Acer was prepared for with its antimicrobial solutions starting on laptop models, and further expanded this product portfolio to a wide range of categories, including displays, accessories, and apparel.

2. Upstream to Downstream Suppliers:



3. Trends: Acer is constantly evolving with the industry and changing lifestyles. While continuing to research and innovate to enhance its product offerings, including notebook and desktop PCs, projectors, monitors, gadgets and other smart devices, Acer has also dedicated more resources to segments with high margin and high growth opportunities to optimize investments, such as the gaming ecosystem, Chromebooks for education and enterprises, creator line for designers, and the rugged line for use in outdoor or harsh environments. Acer has also been innovating in newly identified segments: green PCs and antimicrobial solutions for self-hygiene. With the prevalence of AIoT, Acer has already invested in several areas of cyber security and smart city solutions to embrace this trend. Some of these services are provided through the various Acer subsidiaries.

   Acer Cyber Security Inc. (ACSI) is an established leader of cybersecurity business in Taiwan. The surge in digitization and connectivity through the internet and cloud has accelerated the need for enhanced security measures to safeguard the information of companies and organizations against cyber-attacks.

   Acer Synergy Tech lets companies focus on business development by taking care of the systems integration and IT outsourcing. It provides customers with a one-stop-shop of integrated IT services including planning, integration, installation, and management of enterprise information infrastructure.

   AOPEN integrates digital signage, smart kiosk, and machine vision, into solutions for clients in retail, traffic, medical care, and automated equipment. During the COVID-19 pandemic, it quickly adjusted its strategy to manage the crisis, by developing AI facial recognition systems capable of detecting high body temperatures with higher efficiency.

   Acer e-Enabling Service Business Inc. (AEB) provides digital transformation services including cloud services, applications, AIoT, appliances (edge computing), and PaaS (platform as a service). AEB serves more than 1,000 companies across diversified industries, including the public sector, finance, telecommunications, manufacturing, healthcare, education and culture and high-tech industries.

4. Competition: The gaming market is rigorous, and Acer has built a comprehensive ecosystem that includes hardware/accessories, esports tournaments, social platforms, and beverages. In gaming hardware, Acer has stood out from competition by introducing generation after generation of its advanced thermal cooling solutions to enable its gaming notebooks and desktops to run at peak performance. For PLANET9, an open community platform for gamers, Acer has collaborated with university students to host an Ivy League Esports tournament in the US that also raised funds to support the COVID-19 pandemic prevention needs. In the UK, a PLANET9 University Invitational was held with multiple London universities, cultivating gaming talents by sponsoring online and offline events. Finally, the PredatorShot energy drinks were launched in Asia, Europe and South America, and the distribution of popular gaming consoles and accessories by Acer subsidiaries in Taiwan.

   Through ongoing research, Acer continues to identify new groups of PC users. In addition to the Predator and Nitro lines for gamers, ConceptD line for creators (such as graphic designers, architects, and developers who need quiet yet powerful functioning PCs), the Acer Enduro line of rugged PCs for first responders, field and manufacturing use, Acer introduced the award-winning ConceptD 7 SpatialLabs Edition laptop, bringing eye-popping, glasses-free stereoscopic 3D to designers and developers.

   The PC industry continues to demand thinner, lighter, and more mobile devices. Acer keeps enhancing its series of thin and light notebooks offering longer power and outstanding performance on the move.

5.1.1.3 Technology and R&D

In 2021, Acer spent NT$2.65 billion on research and development, which accounted for 1% of total revenues, focusing on user interface, industrial design and usage scenarios, ICT related hardware and software, IoT technology. In addition, the company has been building on its existing PC and displays business and expanding into new areas that can seamlessly integrate PCs with new software applications and also integrate cloud services in its transition to a "hardware + software + services" company. Focusing on areas high margin with high growth opportunities, Acer has been working on designs that fulfill the needs and desires of various markets, such as mobile professionals, gamers, creators, and education.
Underscoring the importance it places on research and development, in 2021 Acer ranked among the top 3 brands in Taiwan patent applications. Acer has developed various patents in the AI medical field, and owns over 300 patents in thermal cooling technology, more than any PC or cooling module development company. In addition, Acer holds the titles of "Top 50 (of 5725) Companies" worldwide and "Top 3 (of 796) Taiwan" 2017-2021 at the world-renowned iF Design Awards.
With the commitment in designing for customer needs, Acer has received many international awards for design excellence in 2021:

Design Awards

Design Award	Award Winners
iF Design Award	iF Design Award winners: ConceptD 3 Ezel laptop and ConceptD 300 desktop for creators, Predator Triton 300 SE laptop and Predator X34 S monitor for gamers, and the Porsche Design Acer Book RS / TravelPack RS.
Red Dot Award: Best of the Best	The Porsche Design Acer Book RS and matching Porsche Design Acer TravelPack RS received a Red Dot: Best of the Best award, the top prize in the product design category.
Red Dot Award: Product Design	The ConceptD 300 desktop for creators, Acer Spin 7 laptop, and the Acer B248Y business monitor won the Red Dot award for high design quality.
Red Dot Award: Brand and Communication Design	The eco-friendly Aspire Vero laptop's green packaging design earned a Red Dot Award for Brand & Communication Design in the "Packaging Design" category.

Design Award	Award Winners
Red Dot Award: Brand and Communication Design	The PLANET9 esports social platform earned a Red Dot Award for Brand & Communication Design in the "Digital Solutions" category.
Good Design Award of Japan	The Aspire Vero green laptop, Acer Chromebook Spin 512, and Acer CB273U display earned the Good Design Award from Japan.
Computex d&i Award	The ConceptD 3 Ezel and ConceptD 7 Ezel notebooks, TravelMate P6 commercial notebook, Predator X34 S gaming monitor, and PLANET9 esports platform's in-game live AI translator received Computex awards for design and innovation.

New Technologies

- In the AI medical field, Acer Medical Inc. provides multiple AI-assisted medical solutions, including AI-assisted diagnosis software VeriSee DR (Diabetic Retinopathy), VeriSee AMD (Age-Related Macular Degeneration), and video diagnosis and treatment software TeleMed. So far, VeriSee DR has tapped into five overseas markets and obtained FDA approval from multiple markets including Taiwan, Philippines, Thailand, Indonesia, etc. Acer Medical is listed on the Taipei Exchange Emerging Stock Market.
- Acer has been actively involved in realizing the smart city vision to build a resilient city. Its subsidiary, Acer Being Communication, offers several business IoT solutions for smart cities and Industry 4.0. With smart connection as the foundation, the smart solutions include agriculture monitoring stations, water quality monitoring, water meter, street lighting, air pollution detection, and such, providing a variety of choices for more efficient and effective business IoT applications. In 2021, Acer ITS has won phase two of Taiwan's first roadside Smart Parking Meter BOT project in Tainan, as a result of high customer satisfaction rate of its solution for the first phase. The second phase involves the installation of another 2,000 parking spaces and to serve as operator for the next 20 years.

5.1.1.4 Long and Short Term Business Plan

Acer is constantly evolving with the industry and changing lifestyles by continuing to push for innovation in existing businesses, while expanding to new territories. In the PC and displays business, Acer is committed to strengthening the foundations with technological innovations such as its state-of-the-art thermal cooling solutions, and designing unique product lines for the specific needs of gamers, creators, education, usage in harsh environments, and more. At the same time, Acer's strategy is to explore new opportunities, expand into adjacent territories, and cultivate multiple business engines. Acer is encouraging employees to think outside the box by promoting intrapreneurship.

Short Term Plan:

Acer will continue to optimize its PC and displays business, and has dedicated more resources in segments with high growth opportunities to optimize investments, such as thin-and-light notebooks, gaming line, Chromebooks for education and enterprises, and PCs for creators and rugged use. At the same time, Acer is constantly observing the changes of the global economy and taking measures as necessary to minimize impacts and maintain operational growth.

Long Term Plan:

Acer continues to research and develop customer-centric products, and explore beyond boundaries to identify and incubate micro trends that have potential for growth. Its strategy is to create a fleet of business growth engines for the group's long-term sustainability, and this strategy has been making progress. Currently, Acer has six publicly subsidiaries: Acer Medical, Acer Cyber Security, Acer Synergy Tech, Weblink International, Acer e-Enabling Service Business, and AOPEN.

Moreover, Acer applies the Responsible Business Alliance (RBA) Code of Conduct as the standard to ensure responsible sourcing of materials, and compliant working environments that uphold human rights. It demonstrates Acer's commitment to environmental protection, social responsibility, while optimizing its operations.

For more information may be found in Chapter 6: Sustainable Development/ESG.

5.1.2 Market Highlights

5.1.2.1 Market Analysis

1. Market Share of PC Products

Acer's 2021 revenue breakdown by regional operations were: Pan Asia Pacific with 40% share, EMEA with 34% share, and Pan America with 26% share. In worldwide PC shipments (Source: IDC), Acer ranked No. 5 for total PCs with 7% share, No. 5 for notebooks with 8% share, and No. 4 for desktops with 4% share.

2. The Future of Market Demand and Supply

The second year of the COVID-19 pandemic continued to disrupt people's lifestyle, in which remote working and learning fueled the demand for PC substantially. Acer saw increased demands for multiple product lines, including notebook PCs, large-screen Chromebooks, monitors, and others.

Acer implemented a flexible strategy to overcome logistic and material issues. Transport interruptions and various component shortages continued throughout 2021, and deeply impacted Acer's output. Acer is communicating with its suppliers on a daily basis of its needs and component availability, and strives to fulfill the backlog of demand due to remote working and distance learning needs.

Opportunities continue to arise from the expanding gaming ecosystem with diversified business models and innovative applications. Total esports viewership is expected to grow at a 9% compound annual growth rate (CAGR) between 2019 and 2023, up from 454 million in 2019 to 646 million in 2023 (Source: Insider Intelligence). And revenue from esports is expected to hit U$1.8 billion by 2022 (Newzoo).

In the year ahead, the company will continue to evolve with the industry and changing lifestyles by observing users' needs and identifying micro-trends that have the potential to create a new blue ocean of opportunities. In parallel to focusing on its PC and displays products, Acer will persist in developing multiple growth engines, and integrate "software + hardware + services" as a forward-looking company.

3. Competitive Advantage

The common objective among all of Acer's businesses is to explore new markets, and broaden current boundaries. Underscoring the importance the company places on research and development, in 2021 Acer ranked among the top 3 in Taiwan patent applications

In addition, its R&D takes into account of the design thinking process and key technologies, creating a competitive advantage for the company and resulting in the launch of numerous highly competitive and innovative products. Shifting away from traditional computer hardware manufacturers' mindset, Acer's Value Lab has gradually invested more resources in developing artificial intelligence, big data and more, while exploring new business models to create opportunities for growth. Acer also has a number of subsidiaries in diverse scopes of business including information security, smart parking, smart wearables, AI medical, smart public health systems, and these are just some examples of the multiple growth engines. Several of these engines have made progress to becoming listed companies: Acer Medical, Acer Cyber Security, Acer Synergy Tech, Weblink International, AOPEN, and Acer e-Enabling Service Business.

In terms of sales channel reach, Acer has a presence in over 160 countries and a lean organization for effective and fast decision making. Its R&D, design, marketing, sales, and services all adopt a global strategy, which is the company's advantage.

4. Advantages, Disadvantages and Counter Measures

Advantages

(1) Social distancing, remote working and learning during the COVID-19 pandemic revived the demand for PCs. Workers and students use PCs to handle projects, assignments, and for video conferencing. PCs are also needed for entertainment when physical activities are limited. The long duration of use also meant that sharing one device among several in one household was no longer feasible. The lifestyle which led a surge in demand for PCs in 2020 continued throughout 2021.

(2) Prior to the pandemic, while the traditional PC market had been stagnating, Acer focused on segments with high growth potential, and continues to do so. They are PCs in the areas of thin-and-light, gaming, creators, Chromebooks for education and enterprise, and more, for different users' needs. Market segments are further divided to address specific users, for example, gaming PCs for hardcore and casual gamers.

(3) Consistent marketing activities for high-profile brand and products, such as the Predator gaming brand, the ConceptD line for creators, and the Swift line of ultraportable laptops have helped to build the company's image for high-end designs and enhanced brand awareness. This is proven by the rise of Acer PCs' average selling price of 11% in 2021, higher than the industry growth of 8%, demonstrating its gain in brand premium (Source: GfK & NPD 47 countries).

(4) Facing the rapidly changing market dynamics, innovation and entrepreneurship pave the way to the future. Acer ranked among the top 3 in Taiwan patent applications, reflecting its competitive edge in design and innovation.

(5) With a presence in over 160 countries, Acer has a comprehensive network of sales channels, and a lean organization for effective and fast decision making.

(6) Acer has continued to innovate in the PC and display market, while also expanding to new areas and cultivating multiple business engines to maintain the company's momentum and ensure the long-term sustainability.

(7) Environmental, social, governance (ESG): Through transparent reporting of its efforts in ESG, Acer has been recognized and won major industry accolades. Acer was awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook in both 2021 and 2022 for the top ESG scoring companies. The company was listed in the MSCI ESG Leaders Indexes for the eighth year, and garnered the best rating of "AAA" for the first time that represents the top 2% in its category. And for the eighth consecutive year Acer was listed in the Dow Jones Sustainability Indices Emerging Markets Index.

Disadvantages and Countermeasures:

(1) While the COVID-19 pandemic has caused a surge in demand for PCs, it also caused component shortages and production delays.

Actions: Acer will consider various locations for outsourcing production besides China, since the pandemic exposed weaknesses of existing supply chains. Acer is communicating with its component suppliers on a daily basis of its needs, and strives to fulfill the back log of demand due to remote working and distancing learning needs.

(2) The volatile and rapidly changing ICT industry presents a challenge to forecast the future PC demand with accuracy.

Actions: Constantly evolve with industry and changing lifestyle is Acer's firm belief to creating renewed growth. The common objective for both its consumer and commercial markets is to explore new markets and broaden current boundaries. Acer will continue to explore different markets and launch products for different applications, identify micro trends for a blue ocean of opportunities. In addition to the PC and display businesses, fulfill the needs of more user groups and market segments; Acer is expanding its offering to beverages, systems integration, AI medical, information security and others, to discover new opportunities. With issues such as global trade, global tax, and geopolitical situations, Acer is open to consider additional locations for outsourced productions.

(3) The speed of information digitalization and ecommerce has accelerated with the COVID-19 pandemic, with the increase to remote working, distance learning, and online shopping.

(4) Market volatility may result in greatly fluctuating demands.

Actions: Acer and its subsidiaries will continue to adopt the channel business model and strengthen cooperation with key suppliers and distributors, while continuously monitoring market demands and new trends. In addition, e-commerce sales models have been adopted to directly serve consumers and understand their preferences.

5.1.2.2 Key Products and Manufacturing Process

1.Current product and service offering

(1) Notebook PCs
(2) Desktop PCs
(3) Monitors
(4) Projectors
(5) Gaming products and esports platform
(6) Gadgets and apparel
(7) Servers
(8) Cloud services
(9) E-business and services
(10) Commercial solutions
(11) Digital signage solutions
(12) Cyber security and datacenter
(13) Beverages
(14) Smart city
(15) AI medical

2.Manufacturing process

Acer and its subsidiaries outsource all manufacturing, and are not directly involved in the manufacturing processes. However, to fulfill its responsibilities as a corporate citizen, Acer strictly requires its suppliers to comply with environmental protection and local labor regulations, such as the European Union's Restriction of Hazardous Substances (RoHS), in the production and manufacturing processes. In addition, since 2008 Acer has joined the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC), which requires suppliers to adhere to the RBA Code of Conduct to ensure the operational compliance of the company and its suppliers.

5.1.3 Production Process of Key Products

Acer has long-term cooperation with reputable firms, in and out of Taiwan, for the supply for raw materials. In addition, the company strictly prohibits suppliers from using components and finished products produced with raw materials obtained illegally or via inhumane ways; or purchasing tantalum, tin, tungsten and gold (known as 3TG) from sources with direct or indirect funding or benefits from armed groups of Congo or neighboring countries. Acer also updated the "Responsible Raw Materials Purchasing

Policy" in 2017 by expanding the scope of mineral management beyond 3TG and Congo to ensure minerals management is consistent with the OECD's guidance for mineral supply chains in conflict-affected and high-risk areas. The company requires suppliers to provide mineral procurement policies and processes, take due diligence process, and shoulder the responsibility of social and environmental protection.

Since 2016, the company has expanded its Responsible Business Alliance (RBA) management to two tiers of suppliers (i.e. the supplier of suppliers), which has extended to three tiers in 2021. In addition, Acer plans to include three tiers of suppliers to participate in the CDP global disclosure system in 2022. These efforts aim to promote a positive cycle for a sustainable future.

5.1.4 Key Buyers and Suppliers Accounting Over 10% of Total Net Sales and Purchase

(1) Key Buyers for Acer Group: None

(2) Key Suppliers for Acer Group

Unit: NTD Thousands

Item	Year 2020				Year 2021			
	From	Amount	Percentage of total net purchase (%)	Relationship with Acer Inc.	From	Amount	Percentage of total net purchase (%)	Relationship with Acer Inc.
1	Supplier D	40,833,524	22.31	None	Supplier D	45,200,090	20.85	None
	Others	142,213,624	77.69	□	Others	171,564,203	79.15	□
	Total Net Purchase	183,047,148	100.00	□	Total Net Purchase	216,764,293	100.00	□

Note: The key suppliers are not significant change in 2019 and 2020.

5.1.5 Production Value in the Last Two Years

Not applicable.

5.1.6 The Sales Value in the Last Two Years

Unit: NTD Thousands

Year / Major production	Year 2020		Year 2021	
	Domestic Sales	Foreign Sales	Domestic Sales	Foreign Sales
Computer	5,798,648	200,241,642	6,337,179	231,100,641
Peripherals & Others	31,566,005	39,506,182	44,184,412	37,383,224
Total	37,364,653	239,747,824	50,521,591	268,483,865

5.2 Keys to a Sustainable Future

5.2.1 Optimize operations by strengthening the foundations and exploring new possibilities

To maintain the company's momentum and long-term sustainability, Acer keeps evolving with the industry and changing lifestyles by continuing to push for innovation and environmentally-friendly design with its PC/displays businesses, while expanding its multiple business engines.

Acer will continue to research and innovate in its notebook and desktop PC, projector, and display businesses, and has dedicated more resources to segments with high growth opportunities to optimize investments, such as the gaming line, thin-and-light notebooks, Chromebooks for education and enterprises, and PCs for creators.

To help tackle environmental challenges, Acer launched its Vero line of green products, which utilize recycled plastic, recyclable packaging, and ocean-bound plastic waste. Acer also joined the RE100 initiative and pledged to source 100% renewable energy by 2035.

At the same time, Acer is exploring new opportunities, expanding into adjacent territories, and cultivating multiple business engines built on the advantage of its expansive global channel reach. Employees are encouraged to think outside the box and pursue intrapreneurship; this means providing them with the freedom and support to discover untapped markets for the group's long-term sustainability.

The new possibilities being explored include smart gadgets, smart cities, air quality improvement solutions, AI medical, and other cloud application solutions. Some of these services are provided through the subsidiaries.

Evolving with the industry and changing lifestyles is the key to creating renewed growth in the PC industry and beyond, and ensuring Acer's long-term sustainability.

5.2.2 Create synergies with partners and regional operations

Acer diligently builds on the synergy of partnerships and resources to effectively operate, safeguard, and grow its business. With a flexible and nimble mindset, the global headquarters works closely with regional offices to understand local market conditions and customers preferences. The close collaboration between Acer and its partners has always been its competitive advantage. Through the concerted efforts of Acer's management team, employees, and stakeholders, the company continues to demonstrate the highest resilience to power through times of high volatility in the industry and global economy.

5.3 Employees

5.3.1 Global Human Asset Management

Employees are the Company's key assets and the main driver of business growth. Acer has fostered a work environment that empowers employees by entrusting them with the tasks matched to their skill or qualification. There are clear objectives and reward for achievement, extensive communication and interaction among coworkers, constant encouragement for innovations, and an effective decision making process. On-the-job training provides the ideal platform for learning and development.

As a result of employees' joint effort, Acer has received numerous industry and media recognition. For example, Acer has been listed on the DJSI Sustainability Indices (Emerging Markets Index) for the seventh consecutive year since 2014. Also has been selected in 100 Most Sustainably Managed Companies in the World and ranked 22nd in the world in the field of innovation on The Wall Street Journal in 2020. All Acer employees also have many opportunities for development. Acer also been listed in World's Best Employers 2020 by Forbes.

Besides, Acer spent NT$2.57 billion on research and development in 2019 and ranked No. 2 in Taiwan patent applications with 565 filings. With the commitment in designing for customer needs, Acer has received many international awards for design excellence in 2021 such as Red Dot Awards for product excellence and design innovation, Red Dot Awards for Brand and Communication Design, Good Design Awards, iF Design Awards, Taiwan Excellence Award and CES Innovation Awards. All above results are contributed by our most valuable assets: our employees.

-Human Asset Analysis by Manpower, Average Age and Years of Employment

Date / Category	End of 2020	End of 2021	March of 2022
Manpower	7,467	7,713	7,855
Average Age	40.2	40.4	40.6
Average Years of Employment	8.7	8.7	8.6
Male (%)	62.8%	63.8%	63.7%
Female (%)	37.2%	36.2%	36.3%

-Human Asset Analysis by Job Function

Date / Job Function	End of 2020	End of 2021	March of 2022
General Management	182	190	196
Sales & Product Marketing	2,050	1,808	1,847
Customer Service	1,975	2,129	2,129
Research & Development	1,246	1,341	1,371
Sales Support	1,062	1,236	1,276
Administration	952	1,009	1,036
Total	7,467	7,713	7,855

- Human Asset Analysis by Education Level

Date / Education Level	End of 2020	End of 2021	March of 2022
Doctor of Philosophy	1.5%	1.0%	1.1%
Master's Degree	28.3%	28.5%	28.0%
Bachelor's Degree	46.5%	54.2%	54.7%
Vocational Study	22.2%	15.4%	15.2%
Senior High School or below	1.5%	0.9%	1.0%
Total	100.0%	100.0%	100.0%

5.3.2 Recruitment

The Company abides to each country's labor laws and customs. We are committed to providing equal opportunities and following Anti-discrimination law that it is illegal to make employment decisions based on legally protected factors like race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, or past membership in any labor union, and we are sticking to the principle of putting the right people at the right position. Acer seeks high-potential candidates with multi-disciplinary backgrounds in order to build a strong global workforce.

5.3.3 Continuing Learning and Growth

People Development and Career Growth

The company's training policy in 2021 was set to be aligned with the corporate strategy. Governed by the ESG principles, we build lifestyle brands through expanding boundaries anchored around core businesses and optimizing operations.

With the policy's guidance, the training and development was designed to equip the employees with the awareness for corporate sustainability and social responsibilities, the capabilities to stay on top of cutting-edge trends, and the skills to advance people management. All of the efforts were directed to strengthen the consolidation of hardware, software, and service, create value, boost profitability, and ultimately, improve company's brand premium.

- For leadership / management training, we helped the supervisory-level managers to acquire the essential people management competencies; while the leadership training guided the mid-level managers to develop strategic and systematic views in people management.
- For professional competency development, in response to the future trends of lifestyle-related products, we persisted to strengthening core knowledge and skills of IT products, digital display, and value lab through holding internal and external training / technical seminars. In addition, we paid a great deal of attention to developing the team-members in the function of marketing, supply chains, and logistics. Take software design as an example, we held the GitLab System training, with the aim of enhancing collaboration efficiency of software development teams. We also invited the subject experts in lifestyle products to deliver the trending speeches, in the hope of bringing in more insights into the future development of products.
- As for general education and training, through online learning approach, we helped the staff to know more details of social responsibility, including information security awareness, anti-bribery and anti-corruption, anti-trust, workplace harassment and bully etc. By taking the strict online tests, we ensured that all employees had a full understanding of what these e-Learnings try to deliver.

In order to ensure the quality of training, all trainings were conducted in accordance with the "Training Management Process". The evaluation measures included training satisfaction, after-class interviews, and action learning. In 2021, the number of employees trained worldwide reached 46,374, accounting for 98,052 man-hours. The averaged training hours reached up to 13.41 per person. All trainings were done in accordance with the principles of job requirements, gender equality, and equal opportunity.

Multiple Approaches of Learning and Development

Each employee was provided with multiple development paths to enhance the profession--- for example, from company within, such opportunities can be found as on-the-job trainings, coaching, job rotations, forums, online learnings. For the company outside, they included profession club seminars, short-term intensive training hosted by the prestigious universities or training institutions.

New Employee Orientation and Training

Upon new hires onboarding, we held a series of training activities to help the new employees to know about the company profile, management systems, core values, and branding efforts.

In addition, each unit provided the new employees with introductory trainings in the professional fields, so that the newcomers may get to know the organization's responsibilities, team members, workflows, and cross-unit collaboration protocols. For example, IT Products had PC full function-related training, guiding the new staff to realize the overall product development process, ranging from product development process overview, pro-duct idea creation, software / hardware expertise, supply chain, quality assurance, manufacturing, branding, market analysis, etc.

A mentor was also arranged to assist a new employee. The role of mentor was positioned to offer essential consultation and care at work, in anticipation of that the new colleagues could adapt to the environment in smoother manner and become fully integrated parts of the team.

ESG trainings were offered at the initial stage of joining in the Company, including the Standards of Business Conduct (including instruction on labor rights, freedom of expression, individual privacy rights, information security awareness, sexual harassment prevention, and corruption prevention). The new employees were also encouraged to participate in Cardiopulmonary resuscitation (CPR) and Automated External Defibrillator (AED) training.

Performance Management and Development

The goal of Acer's performance management and development system is to improve performance at individual, departmental and organizational levels, and includes goal setting, delegation, communication & coaching, the link between performance & remuneration, and career development.

5.3.4 Compensation

Acer provides a competitive salary package to attract and retain high-potential human assets. The Company surveys global IT companies' salary levels annually, to ensure that our salary packages are adjusted accordingly and reasonably to reflect market conditions. On top of the monthly salary, the Company offers the bonuses that are differentiated from the performance of business unit and each individual. Taking Taiwan for example, in addition to the fixed monthly salary and festival bonuses, Acer offers incentives that reward new innovations, intellectual property rights, sales achievements, performance bonus and profit sharing. At the same time, an employee stock ownership association has been established since 2022 to encourage employees to save and accumulate pensions.

5.3.5 Welfare

In all of our global locations, we provide our employees with a comfortable office environment, quality employee benefits and smooth communication channels in accordance with local laws and customs, in order to stimulate their creativity and increase productivity. In Taiwan, for example, the Employee Welfare Committee has been established by law to provide benefits as required by law, such as staff travel, sports competitions, family days, art and cultural activities, seminars, festivals, community activities, as well as various benefits such as the gifts of the three significant festivals, scholarship subsidies for children, wedding and funeral subsidies, hospitalization subsidies and non-cash vouchers. A fitness center and staff recreation facilities are also available to help relieve work stress and provide health promotion programs to care for the balanced physical and mental development of our staff.

5.3.6 Pension

The Company abides to each country's labor laws and customs. Taking Taiwan for example, Acer conforms to the Labor Standards Act and Labor Pension Act by contributing a portion of employees' salaries toward a pension scheme. Besides, employees who have served for 15 years and have reached 50 years of age can apply for early retirement. At the same time, from 2022, a relatively subsidized "Employee Stock Ownership Association Trust" company stock purchase plan will be provided, hoping that colleagues can also participate in the investment method of the company and accumulate wealth after retirement.

5.3.7 Labor Relations and Employee Communication

Acer values the opinions of its employees and strives to maintain harmonious labor-management relations, and its operations are managed in compliance with local laws and regulations in each of its global locations. In Taiwan, for example, we have opened up a number of communication channels to enhance two-way communication between employees and employers, as follows:

- **Single service line for back office.**

  Each of our back office support units has a telephone line to provide a single service window to assist employees in solving problems at work or in the area of employee rights and benefits quickly and effectively.

- **Smooth communication channels.**

  (1) Conduct employee satisfaction survey regularly:

  We conduct regular employee satisfaction surveys every year to understand the organization's climate, and conduct in-depth interviews and formulate improvement plans for major problems.

  (2) Routine labor-management consultation system:

  The chairman and global CEO hold quarterly labor-management meetings (gardeners' meetings), in which the first-level executives communicate directly with selected employee representatives from each office to respond to employee issues and suggestions and make decisions, and assign staff from relevant units to solve problems and follow up to improve the company's operational and management efficiency.

  (3) Collecting opinions from departing employees:

  HRBP will conduct exit interviews with departing employees to understand their reasons for leaving the company and to serve as a reference for organizational improvement and optimization.

  (4) "Workplace" is implemented for the prevention and control measures, complaints, and disciplinary measures against unlawful workplace abuse and sexual harassment:

  In order to maintain gender equality and dignity at work and to provide a channel for employees to complain about unlawful workplace abuse, so that employees are not subjected to verbal, physical, psychological, sexual harassment, and gender discrimination in the workplace, the Company has established prevention measures, complaints, and disciplinary measures to specify the channels for complaints, operational procedures, and disciplinary regulations.

  (5) Channels for Stakeholders to Report Complaints

  To protect the rights and interests of stakeholders, to promote communication with stakeholders, and to strengthen corporate governance, if an Acer employee is found to have violated Acer's Code of Business Conduct, or to have engaged in any wrongful acts or activities that violate corporate governance, he or she may file a complaint through the stakeholder reporting channel and have it handled by a dedicated supervisor.

- **Company's Operational Achievements and Strategic Advancement:**

  In response to our diversified business development, we continue to strengthen internal staff communication so that we can share common beliefs, visions and core values and work together for the Group's direction and strategies.

Mr. Jason Chen, Chairman and Global Chief Executive Officer, holds quarterly communication meetings and "Communication with Jason" meetings to communicate with our executives and colleagues via video or face-to-face about the company's operational results and future direction, and to answer questions and suggestions from employees.

In addition, he also invites renowned figures from various fields to share their experiences in industry management trends and innovations to expand the management horizons of executives.

5.3.8 Acer Employee Management

Standards of Business Conduct

We have completed the revision of Standards of Business Conduct (SBC) in 2020 and changed its name to Standards of Integrity Management & Business Conduct (SIMBC). SIMBC guides us on how we interacted with each other, our customers, our business partners, our shareholders and the communities where the Acer Group does business.

Below are the features of the revisions:

1. Get more aligned with the new amendments of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Procedures for Ethical Management and Guidelines for Conduct" enacted by Taiwan's governing authority of Stock Exchange and Futures Trading.
2. Call for a more strict compliance with the principles of human rights set by the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.
3. Require not only all employees of the Acer Group to obey these rules and adhere to the highest standards of business ethics, but also the board members and all other parties who do business with Acer.
4. Incorporate the issues of Corporate Social Responsibility that address increasing attention during the recent years, the rules of social media interaction, and the past incidents that we have learned from the industry.
5. Specify the procedures dealing with the incident reports in anticipation of providing a guidance for the units to follow and to prevent recurrence.

All employees are required to undergo training regarding anti-corruption measures. During annual performance reviews, we require management and employees to review their adherence to our standards of professional behavior. In the event of corruption being found, the company must immediately report the incident and implement management measures, while also reminding employees that they must follow the regulations of the Standards of Business Conduct.

- Sexual Harassment Prevention Measures

The Company is dedicated to ensuring gender equality and human dignity in workplace, securing work environment free from sexual harassment and discrimination. With the promise, the Prevention Measures and Disciplinary Actions on Sexual Harassment is enacted, which specifies the reporting channels, dealing procedures, and disciplines.

- Declaration of Secrecy and Intellectual Property Rights

The Company places extreme importance on the protection of intellectual properties rights. All staff are required to have the Declaration on Non-Disclosure Agreement signed when onboard, which declares the obligations to protect confidential information and the restrictions on use of the confidential information during the employment period and employment termination.

5.4 Important Contracts

Nature of Contracts	Contracting Parties	Beginning and Ending Dates of Contracts	Major Content	Restrictive Clauses
Software License Agreement	Microsoft Inc.	Aug.1, 2018 until triggering the terminating terms of this Agreement	Obtain license from Microsoft for using certain software	Confidential Non-assignable
Patent License Agreement	IBM Corporation	Oct. 29, 2003 until the end of related patents period Nov 22, 2006 until the end of related patents period	Cross license arrangements for certain patents	Confidential Non-assignable
Purchase Agreement	Worldwide Vendors	Annual 2021	Component Purchase	Confidential Non-assignable

6 Sustainable Development/ESG

Acer's sustainability mission aligns the Company's ESG strategy with the Company's development direction and the core spirit of the brand, defined thus:

While pursuing profitability, leading transformation, and providing innovative services, we will continue to create tangible and intangible value while focusing on our three core beliefs: creating value, balancing interests, and developing sustainably. In this way, we can promote sustainability model transfer and leverage our social influence, becoming a future-oriented business.

Our ESG policies cover integrated sustainable governance, pioneering green innovation, and comprehensive sustainable impact.

- Integrated Sustainable Governance: Deepen ESG governance and stakeholder engagement, and strengthen integrated management and transparent disclosure of financial and non-financial performance
- Pioneering Green Innovation: Incorporate low-carbon, sustainable, and recycling innovation technologies and concepts in products and services to lead in smart cities and develop a new green economy
- Comprehensive Sustainable Impact: Creating real corporate value and leveraging our influence on vendors and partners to help the overall industry move toward a sustainable future

Our ESG efforts have continued to earn recognition among the leading sustainable development indices. In 2021, the Company was honored for a second year with a Silver Class distinction in the S&P Global Sustainability Yearbook, which uses ESG (Environmental, Social, and Governance) as a criterion. Acer is ranked among international indices such as the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index, in which we have been listed for eight consecutive years, and earned our first AAA rating as a constituent stock of the MSCI ESG Global Sustainability Indexes; we have also been included in the FTSE4Good Emerging Index for six years running. In addition, Acer has been listed in the World Benchmarking Alliance's SDG2000, recognized as one of the top 2000 most influential companies in the world, as well as being ranked among the world's best employers by Forbes for two years running.

Established in 2008 as the Corporate Sustainability Office (CSO) and renamed in 2021, the ESG Office is Acer's specialist unit committed to corporate sustainable development and ESG. Led by the corporate sustainability officer, its primary responsibility is managing ESG issues. Reporting directly to the chairman of the Board, the CSO also regularly provides reports to the Corporate Sustainability Committee on trends, influence, and performance concerning these issues. The ESG Office plays a vital role in bridging the various working groups with the CSC. To facilitate effective communication across locations around the globe, we have put in place executive secretaries for ESG in each regional headquarters tasked with implementing our ESG agenda. In addition, in 2021, we launched ESG e-learning courses for staff to help them better understand ESG concepts and how Acer puts them into action.

In the area of environmental, safety, and health management, we continue to introduce green products, save energy and reduce carbon in our global operations, and implement various programs to maintain and improve our employees' physical and mental health. In terms of supply chain management, we continue to implement vendor social and environmental responsibility audits and actively handle issues such as conflict minerals to lead vendors to improve their environmental and social responsibility performance. As for communication, we use various channels to communicate with the Company's stakeholders and enhance the quality of customer service and protection of customer privacy in order to improve customer satisfaction. Finally, in terms of community involvement, we continue to create digital opportunities and give back to the community through our volunteer team and the Acer Foundation.

6.1 Environment, Safety and Health Management

6.1.1 Environmental Protection

6.1.1.1 Energy and Climate Change

In the area of energy and climate change, Acer continues to enact our Integrated Energy and Climate Change Strategy, completing third-party assurance of greenhouse gas emissions data from Acer Group locations worldwide. Along with the abovementioned integrated strategy, we have also set long-term carbon reduction targets in line with the methodology proposed by the Science-Based Targeting (SBT) initiative. We expect to accomplish an 80% reduction in Scope 1 and Scope 2 carbon emissions in 2050 from the baseline year of 2009.

In 2021, we announced that we had joined the global RE100 initiative and pledged to use 100% renewable energy by 2035. We also took up the mantle of brand leader by proposing the Earthion sustainability platform, building on our past innovations and integrated solutions to environmental challenges by expanding our reach to supply chain partners, consumers, sales channels, and our entire staff body. We will continue to introduce green innovations in product design, production, transportation, and packaging to improve resource reuse, reduce packaging, and reduce our carbon footprint. Furthermore, we will work with our business partners to create a resilient supply chain and expand our positive impact on the global environment.

Acer has been a part of the CDP (formerly the Carbon Disclosure Project) supply chain system since 1997, taking it a step further by auditing our vendors' overall carbon management performance, carbon reduction results, and green energy adoption with ESG scorecards to manage the environmental impact caused by our supply chain and bolster the overall supply chain's ability to respond to climate change. In 2021, we maintained an A- rating on the Vendor Engagement Rating (SER) and expanded our reach through continuous communication with vendors, with 153 Tier 1 and Tier 2 vendors assembled, up 29% from the previous year. In terms of supply chain responses, 90% of vendors have included climate issues in their board-level stewardship, 86% have included them in their medium- to long-term goals, and 46 vendors have set or committed to setting science-based reduction targets (SBTs) over the next two years, with seven setting goals of 100% renewable energy.

6.1.1.2 Green Product Management

Company Green Product Policies:

- Using an approach based on the whole product lifecycle, we provide outstanding products that are low in toxins, low pollution, energy-efficient, resource-efficient, and easy to recycle.
- Through green procurement and communication, we work with our vendors to go above and beyond global environmental standards and establish a green supply chain.

The Company is committed to meeting legal requirements and customer standards in all sales territories, taking the initiative to fit local demands, and applying for local voluntary environmental certifications. By giving thorough consideration to reducing energy consumption and use of toxic/hazardous substances at all stages of the product life cycle, we not only extend product life but also facilitate recycling after product end-of-life. Acer also continues to voluntarily launch products free from PVC or brominated flame retardants, as well as continuing to move forward on product dehalogenization. We are additionally engaged in the ongoing evaluation of relevant regulations and external stakeholder considerations, expanding the scope of chemical quality control.

The Company is supportive of the concept of recycling resources, using post-consumer recycled plastics (PCRs) in our notebook computer products since 2019. In 2021, some 15 million product units used PCRs, and a further strengthening of our implementation of circular economy.

Through basic packaging design principles, we can examine the life cycle of our packaging and make informed decisions about its environmental impact at every stage, from initial R&D and selection to fabrication and transportation. Through such actions, we can determine measures to improve durability and waste handling through continual improvements to the environmental impact of our product design. For example, in 2021, we changed our manual packaging for our notebook computers from PE shrink film to paper envelope bags using 60%+ recycled paper. In addition, the Vero series of desktop replacement notebooks use recycled PET for the main unit bag, recycled molded-pulp paper for the cushioning material, and kraft paper bags for documents and manuals rather than plastic wrapping.

The Company continues to strive to improve the energy efficiency of our products and help consumers reduce the amount of energy they consume while using those products. During the product design stage, we comply with energy consumption guidelines in each country, including the European ErP eco-design directive. To ensure our products comply with the requirements of particular clients and markets worldwide, we also participate in other certification programs, including the American Energy Star® and the China Energy Conservation programs.

Recycling limited resources, creating new value, and suitable mechanisms for recycling waste can create a better future for humanity and greater environmental sustainability. As a citizen of the global village, Acer actively supports a variety of measures promoting recycling around the world, along with Individual Producer Responsibility (IPR), and is committed to working with the government, consumers, and channels/retailers to shoulder the responsibility for recycling and managing electronic waste.

6.1.1.3 Office Carbon Reduction and Energy Saving

The Company's energy consumption is primarily office-based, and so to stay on top of power consumption data for our office locations around the world, we use systematic management to collect data for an insight into the usage situation and trends therein. According to analysis and statistics, the primary sources of office power consumption are, in order, the use of air conditioning, lighting, and computer equipment. Although we engage in no production activities ourselves, we continue to pursue the use of green electricity, with optimizing electrical equipment and strengthening power management major management goals. As well as evaluating the benefits of existing energy-saving measures each year, we also continue to explore the feasibility of various other options. Looking at green electricity statistics, we see that Acer Taiwan's total solar power generation reached about 3.53 million kWh in 2021; In 2021, Acer's main energy-saving measures included replacing old air conditioning units, switching to energy-saving lighting, and using systematic management at Aspire Park to provide insights into the condition of each building's electrical and mechanical equipment, facilitating appropriate adjustments. Additionally, our Xizhi office has changed the hours in which air conditioning is operational and put in place an automated system to turn off lighting during afternoon breaks and after working hours. To systematically manage electricity consumption and further improve energy efficiency, the Xizhi headquarters received ISO 50001 energy management system accreditation in 2021, and we will continue to evaluate the effectiveness of existing energy-saving measures and explore the feasibility of other measures every year.

6.1.2 Safety and Health

6.1.2.1 Environmental and Health and Safety Management System

As a global information products marketing service company, we pursue a balance between economic, environmental, and social development. We understand that all of our products, services, and activities may affect the communities and environments we operate in, and are committed to environmental protection. We also recognize that the safety and health of our employees is the foundation of our business and are committed to maintaining a healthy and safe working environment. We require all staff to understand their roles and responsibilities and continue to communicate and collaborate with partners and vendors to realize our commitments to the environment, health, and safety. The Acer Environment, Health, and Safety Policy is as follows:

- Providing healthy, safe working environments to protect the physical and mental well-being of workers and reduce occupational safety and health risks.
- Continually improving environmental, health, and safety performance and communication through participation by all staff.

To ensure our compliance with legal regulations and maintain occupational safety and health management performance, Acer Taiwan conducts annual ISO 45001 management system certification. Every year, we set up a system launch schedule with each unit selecting officers and representatives to form a working group on environmental safety and health. We use internal and external training to develop the awareness and execution capabilities of occupational safety and health and conduct related common operations and internal/external audits to ensure that the system can maintain effective operation. In addition, to implement the PDCA cycle, the Occupational Safety and Health Committee convenes every quarter to report on the implementation of various operations and review and improve.

6.1.2.2 Working Environment and Employee Safety

To establish a safe and healthy working environment, we conduct an annual hazard identification and risk assessment of all workers' activities and service areas in the organization, proposing management plans to track and improve high-risk items. Additionally, to reduce the occurrence of occupational disasters and accidents, we encourage our employees to take the initiative to report any accidents, including false alarms, in a timely manner so that investigations and preventive measures can be initiated immediately.

6.1.2.3 Emergency Response

The Company has set up a comprehensive set of contingency plans and procedures in the event of earthquakes, typhoons, power/water outages, statutory contagious diseases, and other major emergencies. With regard to fire safety, we have established Fire Defense Personnel whose main task is to put out initial fires and evacuate employees when a fire occurs to reduce the chance of harm and damage. To ensure adherence to laws and regulations, strengthen employees' knowledge of safety and health, and meet the emergency response needs of each office area, we conduct fire, earthquake, typhoon, power outage, and emergency rescue drills according to our annual plan, with seven drills held in 2021. We also run various safety and health education training programs on different focuses each year. Through such efforts, we aim to create a corporate culture of health and safety.

6.1.2.4 Staff Health Checks

The Company has always considered our staff among our most important assets, and we believe that strengthening staff health management is a crucial factor in maintaining our competitiveness. Concrete actions taken include carrying out annual employee health checks, hiring full-time medical staff to conduct employee health management, organizing a wide variety of activities and events promoting good health, sponsoring large-scale sports events, holding a range of sports competitions, encouraging the establishment of sports clubs, and fostering a pro-exercise internal environment. Through such actions, we strive to constantly be boosting the health and performance of our staff. In 2021, 93% of staff underwent health checks, reporting an overall satisfaction level of 4.66. This shows that our staff are paying increasing attention to their health, and so in Q1 2021, the Company decided to increase the budget for these checkups in 2022 and to optimize the employee health checkup program, fully demonstrating our commitment and dedication to providing a healthy workplace.

6.2 Supply Chain Management

We work fairly and consistently with outstanding vendors around the world to facilitate efficient global operations and cooperation and to provide customers with high-quality products. At the same time, we strive to ensure that our supply chain provides safe working environments, treats workers with respect and dignity, and exercises environmental responsibility and ethical compliance.

The Company has been a member of the Responsible Business Alliance (RBA) since 2008 and participates in actions and discussions around supply chain social and environmental responsibility to better understand international trends in ESG and share in the practical experience of its members. Acer also requires all manufacturers and service providers to comply with both the RBA Code of Conduct and local regulations.

In addition, we carry out annual on-site RBA Code of Conduct vendor audits, gaining a deeper understanding of each location's working environment and the human rights conditions of the staff. We also encourage and require vendors to uphold their corporate responsibility by ensuring their own vendors implement socially and environmentally responsible management and to advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

We have also established the Acer Responsible Supply-Chain Management (ARSM) system, not only setting in place the social and environmental responsibilities of our first-tier vendors but also rolling it out to second- and third-tier vendors in phases. The goal of this is to further expand the reach of our sustainability responsibility and influence. The Company requires first-tier vendors to implement risk assessment and management of second-tier vendors based on the RBA Code of Conduct. We also carry out on-site audits and tracking of improvements for higher-risk vendors. We have also integrated performance in these into our Vendor ESG Scorecard assessments, realizing and expanding the environmental and social responsibility of our supply chain.

To review the practical performance of our vendors in terms of ESG, we have established a Vendor ESG Scorecard, through which we can gain an early insight into supply chain ESG risks and help vendors implement appropriate measures to mitigate or eliminate those risks, following up on their progress as needed. Overall, average performance across vendor categories in the 2021 scorecard continued to show improvement. Nearly 59% of vendors achieved an “excellent” standard, and 30% of vendors were found to be at the “medium” level. We also use quarterly business reviews and other communication methods to demand that underperforming vendors implement appropriate actions to improve their ESG performance. In addition, to protect labor human rights, we continue to take a variety of measures to ensure that no enslaved or trafficked labor is used in our supply chain. These include vendor risk assessments, declarations, audits, and training.

Responsible sourcing of minerals is also a significant ongoing concern for the Company. Responsible minerals efforts began with the issue of tantalum, tin, tungsten, and gold (3TG) conflict minerals in the Democratic Republic of the Congo (DRC), and the Company's responsible minerals management has now been strategically expanded to include responsible sourcing management that reduces social and environmental risks. The Acer Responsible Minerals Procurement Project set out the need for priority management of minerals based on their ubiquity in products and their having come from conflict-affected and high-risk areas (CAHRAs). Acer's Responsible Sourcing Strategy defines Congolese tin tantalum, tungsten, and gold (3TG), Congolese cobalt, and Indonesian tin as priority minerals. For vendors using mica as a coating material, Acer has also included this in the scope of the management and will report corresponding figures for the first time in 2022. We will continue to assess priority minerals and participate in the process of defining conflict-affected and high-risk areas. For the fourth consecutive year, Acer has issued a Responsible Minerals Report describing actions taken to conduct due diligence on priority minerals.

6.3 Communication

6.3.1 Stakeholder Engagement

Our vision is one of being a responsible global citizen, and we value the expectations of our relevant stakeholders, so we continually bring together the views of our stakeholders, including staff, customers, vendors, investors, communities/charitable groups, governmental agencies, advocacy organizations, media, industry associations, and academic groups. In addition, we communicate our sustainability performance to internal and external stakeholders through our sustainability website, and we use a variety of methods to communicate with different audiences on an ongoing basis.

6.3.2 Improving Vendor Capabilities, Vendor ESG Communication Meetings

We offer information and training on the latest trends and developments in social and environmental responsibility, helping vendors better confront the challenge of sustainable development. We continue to invite vendors to participate in annual vendor ESG communication meetings, CDP project briefings, and major training programs on social and environmental responsibility. This helps them get access to the latest information on global trends while also presenting opportunities for vendors to engage in multilateral communication with Acer senior management or relevant industry experts. We invite major vendors to take part in annual ESG Communication Meetings, where we share the latest global trends in corporate sustainability, human rights issues, and mitigation measures, along with Acer's requirements of and goals for supply chain ESG management performance. In 2021, we focused on the Earthion initiative to bring together our supply chain partners and find more opportunities to collaborate on minimizing the environmental impact of our overall supply chain by integrating sustainability into our product development and daily life.

6.3.3 Consumer Relations

We are committed to a quality policy of delivering competitive products and services on time to customers with zero defects. We aim to provide professional products and services fueled by the credo “Proud to serve, Proud to be Acer.” To better meet the needs of our customers, we plan and conduct regular customer satisfaction surveys in line with the characteristics of each region around the world, using these to gather feedback from our customers, find areas in need of improvement, and strengthen the quality of our customer service. We have set in place a comprehensive global service system with service centers in each of our major operating locations, and we plan different service solutions based on different customer attributes and channel types. Consumers and business customers can contact us through multiple channels. In aggregate, our 2021 survey results show high global satisfaction, with positive customer evaluations accounting for 94.6% of total evaluations.

6.4 Information Security and Privacy Protection

As a global brand, Acer considers maintaining information security immensely important, especially with regard to earning and keeping the trust of those invested in the brand, customers, and other interested stakeholders.

We continue to work to improve global information security organization and policy and to coordinate work on the various aspects of information security management systems, ensuring that our information assets comply with relevant laws, regulations, and standards. We also strive to set out the security control measures necessary to protect the group's information systems and services. We continued to pass ISO 27001 Information Security Management Systems certification in 2021 and regularly carried out internal and external audits and meetings on management review and information security management systems (ISMS) establishment to supervise system implementation.

We are committed to protecting our customers' confidential information and strictly adhere to the Company's Privacy Policy. All employees are required to carefully safeguard confidential or proprietary information provided by customers, and our products make use of data security technology to protect the personal information of consumers. In addition, we have set up a dedicated mailbox to handle any complaints about privacy rights worldwide. In line with Taiwanese legislation on the protection of personal data information, from the point that we collect any personal information from a customer through any means, that information will be retained and used only when necessary until the customer requests its deletion. In 2021, there were no significant customer privacy violations.

6.5 Community Participation

6.5.1 Acer ESG Project Awards

Acer Group operates in more than 160 countries, and Acer employees around the world are deeply connected to their local communities. They not only care about social issues but also take action to participate in community activities to realize the corporate spirit of “breaking down barriers between people and technology.” To encourage employees to actively engage with society, make a greater social and environmental impact, and accomplish the corporate mission of “breaking down barriers between people and technology,” Acer has held its global ESG Project Award for five consecutive years, with the impact of the ESG Projects has expanded to various community integration programs through regional branches and employee activities. In addition to continuing to focus on the themes of “education” and “the environment,” Acer's global ESG Projects in 2021 also included another major event that has had a global impact: the SARS-CoV-2 (COVID-19) pandemic. Worldwide, Acer's business units invested resources, manpower, money, and materials in various areas to exert social influence and appeal through the capabilities of their staff and Acer itself, giving back to the community and stakeholders while creating ESG synergy.

6.5.2 Acer Volunteer Teams

The Acer Volunteer Teams were established to enable staff to devote their time to public service, boost interaction between staff from different departments and between employees and their families/friends, and expand their life experience and personal growth through volunteer activities. Acer's volunteer teams have long been involved in four major areas: digital inclusion, public charity, international volunteering, and environmental conservation. Our volunteer teams have also created many opportunities to give back to the community through volunteer experiences, organizing a number of activities for both staff and their families to promote concepts of charity. In the past, such activities have included recruiting IT volunteers, working to protect mountains and the oceans, second-hand item donation drives, blood drives, electronics recycling, working with people with dementia, promoting carbon reduction and energy saving to address climate change, establishing environmentally friendly agriculture, providing volunteer IT training, and helping both disadvantaged children and the elderly.

6.5.3 Acer Foundation

For more than 20 years, the Acer Foundation organized the Longterm Smile series of competitions. As times and technologies have changed, so too have the competitions. Over the years, we have devoted ourselves to promoting entrepreneurship among college and graduate school students and to fostering new creative energy across Taiwan. In the 4th Longterm Smile Internet of Beings Competition, we added an international category in the hope of finding business teams that have developed steadily in Taiwan and have both the plans and the potential to succeed overseas through the competition. In addition to offering prizes to the winning teams, the competition also takes advantage of Acer Group's many years of multinational experience to integrate the marketing capabilities of various locations around the world, focusing on global vision and strategy, as well as practical cooperation. We make use of this to assist the teams in the international category to optimize their marketing and international strategy so that these potential future representatives of Taiwan can develop more quickly in the global market. Furthermore, we hope that through Acer's experience sharing and cooperation in the operation and management of multinational groups, companies aspiring to expand abroad will be able to overcome challenges and break new ground, taking their place on the global stage and doing Taiwan proud.

6.6 Promoting sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons for those differences

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
	Y	N	Description	
a. Has the Company established a governance structure to promote sustainable development and set up a dedicated or ad hoc unit to promote sustainable development? Has the Board of Directors authorized senior management to handle the situation, and does the Board provide supervision?	✔		Through the Corporate Sustainability Committee (CSC), Acer is able to further incorporate ESG strategic thinking into operations, boosting our performance in terms of sustainability. Under the watch of the committee are workgroups on Corporate Governance, Risk Management, Innovation and Product Lifecycle, Environmental Policy and Management, and Supply Chain Management, with members including first-level managers of various units including operations management, legal, finance, HR, supply chain management, risk management, and general affairs, with the chairman and CEO serving as chair. The primary purpose of the CSC is to review the status of operations with regard to sustainability, determine material issues, and set ESG direction, goals, and action plans. The committee convenes two meetings each year, reviewing each taskforce and workgroup's actions and implementation status, responding to stakeholders' expectations and demands, reviewing annual sustainability goals, and setting medium- and long-term goals. Established in 2008 as the Corporate Sustainability Office (CSO) and renamed in March 2021, the ESG Office is Acer's specialist unit committed to corporate sustainable development and ESG. Led by the corporate sustainability officer, its primary responsibility is managing ESG issues. Reporting directly to the chairman of the Board, the CSO also regularly provides reports to the Corporate Sustainability Committee on trends, influence, and performance concerning these issues. The ESG Office plays an essential role in bridging the various working groups with the CSC.	No discrepancy
b. Does the Company conduct risk assessment of environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality and formulate relevant risk management policies or strategies?	✔		1. This disclosure covers the Company's sustainable development performance in its major locations from January 2021 to December 2021. The risk assessment boundaries are focused around Acer Inc. 2. The Company's Risk Management Working Group holds regular meetings every year to identify, evaluate and discuss potential and emerging risks in the three major aspects of environment, society, and corporate governance. In 2021, the Risk Management Workgroup identified a total of 71 risk items. Designated personnel from the relevant departments are responsible for the drafting of follow-up risk management strategies related implementation plans with regard to risk items identified and analyzed, including commonly used response methods such as loss prevention, avoidance, separation & duplication, transfer, and retention. In addition, they also assess appropriate resource inputs, execution priorities, and methods for follow-up progress tracking. At the same time, emergency contingency plans and crisis management mechanisms are developed to reduce the possible adverse effects of various potential risks on operations. Significant risk information is also reported to the Audit Committee.	No discrepancy
c. Environmental Issues (i) Has the Company established a suitable environmental management system based on the characteristics of its industry?	✔		The Company employs the ISO 14001 Environmental Management Systems international standard to establish standard procedures for environmental management at each operating location, as well as continuously maintaining valid certifications. In 2021, the bulk of the Company's Taiwanese business units passed new ISO 14001: 2015 Environmental Management System review, continuing to receive third-party certification. Other subsidiaries that have introduced ISO environmental management systems have similarly passed ISO 14001: 2015 review. Source: https://www.acer-group.com/userfiles/ISO%2014001-Certificate.pdf	No discrepancy
(ii) Is the Company committed to improving its energy efficiency and to using renewable materials with a lower impact on the environment?	✔		The Company is committed to reducing the impact of our operations and products on the environment and to improving our resource usage efficiency. This includes the continued use of post-consumer recycled plastics and an emphasis on recyclable design in product packaging, with easily recyclable materials a priority in packaging material selection. On top of this, all of the posters included with products are produced with Forest Stewardship Council certified paper, while all printing uses environmentally friendly water-based and soy inks. In 2021, Acer used post-consumer recycled plastics in more than 15 million units.	No discrepancy

Activity	Implementation Status: Y	Implementation Status: N	Implementation Status: Description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
			In 2021, Acer launched the Aspire Vero, an eco-friendly notebook with a box made of 80% to 85% recycled paper pulp and paper-plastic cushioning made of 100% recycled paper pulp instead of traditional styrofoam or folded paper, and a paper sleeve instead of a plastic protective bag to wrap the cables. In addition, the notebook sleeve and protective paper for preventing the keyboard from rubbing against the screen are made of 100% recycled PET. Overall, the packaging is made of 100% recyclable material, and the interior of the box is even reusable and can be converted into a simple laptop stand in just a few simple steps. In 2021, Acer Inc. set its sustainability goals through to 2025. The following goals are expected to be accomplished in or by 2025: 45% reduction in average personal computer energy consumption (baseline year: 2016); 20-30% PCRs in core products.	No discrepancy
(iii) Does the Company assess potential risks and opportunities for the Company now and in the future and take relevant responsive measures?	✔		The Company continues to grasp the risks associated with climate-change-related policies and regulations, physical operations, and transition strategies. We are analyzing and developing countermeasures for the various factors involved in these risks according to their probability of occurrence and their potential impact. In addition, regarding opportunities that come with climate change, we continue to pursue improvements to product energy efficiency and strive to integrate our existing and new business groups to create unified low carbon, sustainable strategies and innovative products.	No discrepancy

<table>
<tr><th rowspan="2">Activity</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences</th></tr>
<tr><th>Y</th><th>N</th><th>Description</th></tr>
<tr><td>(iv) Has the Company collected statistics on greenhouse gas emissions, water consumption, and total weight of waste produced over the past two years? Has the Company formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?</td><td>✔</td><td></td><td>
The Company continues to collect information on electricity, water, and waste through its online system and discloses greenhouse gas emissions, water consumption, and total waste weight in its annual sustainability report. The following describes relevant management efforts:

1. Greenhouse gases: We also have an integrated energy and climate change strategy and have set long-term carbon reduction targets in line with the methodology proposed by the Science-Based Targeting (SBT) initiative. We expect to achieve an 80% reduction in Scope 1 and Scope 2 emissions by 2050 compared to the baseline year of 2009. As far as greenhouse gas information is concerned, in both 2019 and 2020, we obtained ISO 14064-1 certification through third-party assurance.
2. Water consumption: Acer has set a short-term goal of reducing its global water consumption by 1% per year and a medium-term goal of reducing water consumption by 7% by 2025 (compared to 2018). In order to achieve further water savings, after repeated analysis and evaluation, the 2025 medium-term goal was revised to a 10% reduction in 2021.
3. Waste products: Acer's primary source of waste is general waste. In order to reduce waste output, we encourage our employees to reduce the use of disposable plastic, tableware, and paper cups and to strengthen waste reuse through the implementation of various resource recycling and regular business waste recycling management methods.
4. Water, waste, and greenhouse gas information is verified by SGS, a third-party inspector, and disclosed in the Sustainability Report.

Our greenhouse gas emissions, water consumption, and total waste production for 2020 and 2021 are as seen below:

<table>
<tr><th rowspan="2">Year</th><th colspan="2">Greenhouse Gas Emissions (tCO2e)</th><th rowspan="2">Water Consumption (m3)</th><th rowspan="2">Total Waste Products (t)</th></tr>
<tr><th>Scope 1</th><th>Scope 2 (market-based)</th></tr>
<tr><td>2020</td><td>3,004.03</td><td>9,195.35</td><td>173,805</td><td>1,804</td></tr>
<tr><td>2021</td><td>4,550.63</td><td>8,746.13</td><td>164,324</td><td>1,947</td></tr>
</table>

Note: ISO14064-1 certificate download:

https://www.acer-group.com/userfiles/ISO%2014001-Certificate.pdf
</td><td>No discrepancy</td></tr>
</table>

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
	Y	N	Description	
d. Social Issues				
(i) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and the International Bill of Human Rights?	✔		1. Respect for human rights has always been among Acer's fundamental values. To this end, we have established the Acer Group Human Rights Policy, which applies to all Acer Group companies and organizations. We take human rights into account at all points in our value chain, including employees, customers, vendors, and partners. We also ask our vendors and partners to take consistent action with Acer to comply with the standards of this policy and uphold human rights. We support and follow the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization's core labor standards and local laws and regulations in formulating human rights policies and implement human rights protection based on the principles of protection, respect, and remedy. 2. Assessing potential human rights issues is part of Acer's risk management, with such issues identified, assessed, and discussed by members of the Risk Management Working Group. The responsible units then formulate, implement, and manage mitigation actions for issues so identified. Those whom human rights issues may primarily impact are our staff, vendors, and customers. In 2021, identified risks encompassed areas including health & safety, gender equality, sexual harassment, child labor, forced labor, privacy & information security, freedom of association, conflict minerals, and student/intern workers. 3. We continue to provide training on human rights protection issues for Acer employees worldwide, offering education and training courses on issues such as business standards of conduct, anti-corruption, privacy, safe and healthy working environments, and sexual harassment prevention to create a friendly work environment built around equality, tolerance, and respect. In 2021, Acer offices worldwide had 68,444 participants in training for 37,398 course hours. The average number of hours of training per person in human rights protection-related education and training is 10.	No discrepancy

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
	Y	N	Description	
(ii) Does the Company formulate and implement reasonable employee benefits measures (including salaries, vacations, and other benefits) or staff compensation that appropriately reflect operating performance or results?	✔		1. Workplace Diversity and Equality: • Acer strives to adhere to labor laws when hiring staff wherever we are in the world. We insist on equal opportunity employment, hiring through an open selection process that does not discriminate based on factors that have no bearing on work capability, including ethnicity, skin color, age, religious belief, nationality, ancestry, marital status, gender, sexual orientation, gender identity, military service, or political views. With our focus on hiring the best people for the job, we have assembled a diverse array of outstanding talent. Female employees accounted for 37% of staff in 2021; female managers 31% of management; and female senior managers an increased 38%. • Vacations: In addition to granting employees leave per the law, Acer has several other practices that go beyond the Labor Standards Act, such as: giving full pay for sick leave, giving new staff more annual leave days than regulations require, allowing staff to take advance special leave, providing paid volunteer leave, and offering flexible leave for Saturday make-up days. • Gifts & Grants: In addition to the benefits as stipulated by law, Acer also provides group life insurance, accident insurance, cancer insurance, and hospital room and board insurance. In 2021, we provided travel subsidies for employees to take their families for recreational activities, but later, due to the impact of the COVID-19 pandemic, we moved to offering online activities and electronic gift certificates as benefits. At the same time, we also provide financial bonuses for Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year, and birthdays, as well as cash gifts for weddings and funerals and sponsorships for employees' children. 2. Employee Remuneration: The Company conducts a global survey of salaries among peers every year to formulate a reasonable and competitive salary system. We also provide differentiated performance bonuses to employees based on the performance of each unit and the real contributions of staff members. Operating locations around the world all operate in compliance with local regulations and customs, providing staff with outstanding benefits and easy communications channels.	

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
	Y	N	Description	
(iii) Does the Company provide a safe and healthy working environment for employees and regularly provide health and safety education?	✔		1. To effectively implement internal communication and health & safety policy, we have put in place an environmental health and safety management system and brought together representatives of various units to form an Occupational Safety and Health Committee. Each year, health and safety projects are carried out in line with the annual plan, ensuring that the system continues to function effectively. We have also launched a range of health and safety education and training programs to ensure compliance with laws and regulations. 2. In order to comply with laws and regulations and maintain occupational safety and health management performance, Acer Taiwan conducts ISO 45001 management system certification every year. The scope of certification covers not only the Xizhi headquarters and all office locations but also five subsidiaries: ACSI, AEB, Acer Synergy Tech, ISU Service, and Highpoint. 3. In 2021, Acer Taiwan encountered two occupational injuries in the workplace, including falls and collisions. When an accident occurs, the person involved fills out a Workplace Accident Report, and the occupational nurse provides injury and illness care. Occupational safety and related personnel investigate the accident, develop corrective and preventive measures, and use the internal website, new employee training, and ESH officer meetings to disseminate information about the case to prevent recurrence.	No discrepancy
(iv) Has the Company set up effective career development training programs for employees?	✔		The Company provides training programs for newcomers, specialist training for job categories, management training (including junior, middle, senior, and cross-level management training), and general education (including ESG-related training and internal instructor training), and provides employees with career development opportunities and challenges in line with the development needs of the organization and the abilities of employees, enabling people to make the best use of their talents and create value together.	No discrepancy

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
	Y	N	Description	
(v) Does the Company comply with relevant legislation and international standards on customer health and safety, customer privacy, marketing, labeling, etc. with regard to its products and services, and has it formulated relevant policies and complaints mechanisms for the protection of consumer or customer rights?	✔		We adhere to all laws and regulations pertaining to customer health and safety, customer privacy, and marketing/labeling with regard to products and services across the regions in which we operate. In accordance with the law, all products and services carry required labeling and product information. In addition, manuals for products include guidelines for safe usage, laying out the proper usage of the product and relevant items to be aware of, as well as environmentally friendly recycling methods for when replacing a product. Consumers will also find details on how to contact how to find our website, facilitating troubleshooting via telephone or online customer service.	No discrepancy
(vi) Has the Company formulated vendor management policies that require vendors to comply with regulations on environmental protection, occupational health and safety, and labor rights, and does it monitor their implementation?	✔		1. Contracts between the Company and its primary vendors include compliance with relevant ESG policies, regulations, and codes of responsible business conduct. We have adopted the RBA Code of Conduct and are dedicated to compliance in terms of environmental, health and safety, labor rights, ethics, and management systems. 2. With reference to the RBA Vendor Engagement Process, Acer makes use of a range of vendor social and environmental management approaches, engaging with vendors through multiple channels and working with them to improve their capabilities. We carry out vendor ESG scorecard evaluations, reviewing ESG implementation among our vendors and performance therein. These are part of quarterly business review meetings focused on major product lines and key components and provided to senior management of Acer and our vendors, serving as a driving influence behind our bilateral business relationships. The overall performance of vendors on the ESG scorecard in 2021 continued to improve, with 59% of vendors achieving an "excellent" standard and 30% at the "medium" level. We also use quarterly business reviews and other communication methods to demand that underperforming vendors implement appropriate actions to improve their ESG performance.	No discrepancy

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies & Reasons for Those Differences
	Y	N	Description	
e. Does the Company make reference to international reporting standards or guidelines in its preparation of reports such as sustainability reports that disclose non-financial information? Do the aforementioned reports receive assurance from third-party organizations?	✔		1. The content and structure of Acer's sustainability report follow the Global Reporting Initiative's GRI Sustainability Reporting Standards Core Option, the Sustainability Accounting Standards Board (SASB) Sustainability Index, and the Task Force on Climate-related Financial Disclosures (TCFD) framework. In addition, the sustainability report is accompanied by a cross-reference for GRI and SASB indicators. 2. SGS Taiwan was contracted per the limited assurance standards of ISAE3000.	No discrepancy

f. If the Company has established its sustainable development code of practice according to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the operational status and differences:

To boost Acer's overall competitiveness; fulfill our corporate responsibility in social, economic, and environmental terms; and make Acer a leading brand, our Standards of Business Conduct (SBC) were revised and promulgated in 2009. The SBC gives Acer employees worldwide guidance and principles for conduct when interacting with customers, business partners, stakeholders, and the community. These standards provide fundamental guidance and instruction to staff for interactions with customers, business partners, shareholders, and the community. They are built around Acer's core values of passion, user-orientation, innovation, teamwork, balancing interests, and integrity, and serve as detailed guidelines for decision-making and action with regard to working environments, environmental protection, business matters (e.g., user-oriented commitments, fair competition, and conflicts of interest), supply chain management, gifts & hospitality, finance, information security, the law, marketing communication, and community engagement.

We have also formulated our Principles of Corporate Governance Best-Practice, Anti-Bribery and Anti-Corruption Policy, Antitrust and Fair Competition Guidelines, Regulations on Insider Trading, Personal Information Protection Policy, and Subject Regulations of Prevention, Complaint and Punishment of Sexual Harassment to strengthen ESG at all levels of our business activities. For further information on the Company's ESG/sustainable development operations, please refer to this report's explanation of "sustainable development" and related ESG information on our corporate website.
Websites: https: //www.acer-group.com/sustainability/en

G. Other important information to help understand the implementation of sustainable development efforts.

Please visit the following websites to learn more about Acer's efforts and achievements in promoting sustainability:

Sustainable Acer: https: //www.acer-group.com/sustainability/en/

Financial Standing

7

7.1 Five-Year Condensed Balance Sheets and Statement of Comprehensive Income

7.1.1 Condensed Balance Sheet

Financial Information (Consolidated)

Unit: NTD Thousands

Item / Period		2017	2018	2019	2020	2021
Current assets		126,294,298	123,120,995	121,729,074	148,736,476	175,095,238
Property, plant and equipment		4,106,559	3,846,752	3,561,644	3,865,909	4,055,870
Intangible assets		17,184,151	17,311,344	16,930,072	16,292,729	16,527,283
Other assets		10,027,763	9,710,319	13,875,774	15,013,558	19,109,920
Total assets		157,612,771	153,989,410	156,096,564	183,908,672	214,788,311
Current liabilities	Before Distribution	93,239,933	86,816,928	84,473,257	110,720,318	129,423,055
	After Distribution	95,360,731	89,148,576	86,804,540	115,221,980	136,265,580 (note)
Non-Current liabilities		6,397,432	8,186,196	12,428,068	11,246,390	19,342,313
Total Liabilities	Before Distribution	99,637,365	95,003,124	96,901,325	121,966,708	148,765,368
	After Distribution	101,758,163	97,334,772	99,232,608	126,468,370	155,607,893 (note)
Equity						
Common stock		30,765,028	30,749,338	30,749,338	30,478,538	30,478,538
Capital surplus	Before Distribution	29,852,184	27,913,351	28,152,962	27,378,068	27,514,269
	After Distribution	27,731,386	27,949,402	27,174,650	27,448,187	27,620,851
Retained Earnings	Before Distribution	2,815,587	5,901,450	6,196,256	10,869,033	16,886,389
	After Distribution	2,815,587	3,533,751	4,843,285	6,297,252	9,937,282 (note)
Other equity		(3,198,500)	(3,381,189)	(4,342,227)	(5,517,452)	(8,287,624)
Treasury Stock		(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)
Non-controlling interests		655,963	718,192	1,353,766	1,648,633	2,346,227
Total equity	Before Distribution	57,975,406	58,986,286	59,195,239	61,941,964	66,022,943
	After Distribution	55,854,608	56,654,638	56,863,956	57,440,302	59,180,418 (note)

Note: The amount approved by Board of Directors on March 16, 2022.

Financial Information (Unconsolidated)

Unit: NTD Thousands

Item / Period		2017	2018	2019	2020	2021
Current assets		46,638,306	44,854,355	43,308,261	61,019,791	82,248,595
Property, plant and equipment		1,358,581	1,355,056	1,310,885	1,844,520	1,740,178
Intangible assets		261,992	229,136	207,915	180,529	175,814
Other assets		70,841,818	72,121,938	71,916,038	73,557,412	78,832,251
Total assets		119,100,697	118,560,485	116,743,099	136,602,252	162,996,838
Current Liabilities	Before Distribution	56,709,827	54,079,626	50,149,978	69,214,147	84,291,938
	After Distribution	58,830,625	56,411,274	52,481,261	73,715,809	91,134,463 (note)
Non-Current liabilities		5,071,427	6,212,765	8,751,648	7,094,774	15,028,184
Total Liabilities	Before Distribution	61,781,254	60,292,391	58,901,626	76,308,921	99,320,122
	After Distribution	63,902,052	62,624,039	61,232,909	80,810,583	106,162,647 (note)
Equity						
Common stock		30,765,028	30,749,338	30,749,338	30,478,538	30,478,538
Capital surplus	Before Distribution	29,852,184	27,913,351	28,152,962	27,378,068	27,514,269
	After Distribution	27,731,386	27,949,402	27,174,650	27,448,187	27,620,851
Retained Earnings	Before Distribution	2,815,587	5,901,450	6,196,256	10,869,033	16,886,389
	After Distribution	2,815,587	3,533,751	4,843,285	6,297,252	9,937,282(note)
Other equity		(3,198,500)	(3,381,189)	(4,342,227)	(5,517,452)	(8,287,624)
Treasury Stock		(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)
Total equity	Before Distribution	57,319,443	58,268,094	57,841,473	60,293,331	63,676,716
	After Distribution	55,198,645	55,936,446	55,510,190	55,791,669	56,834,191(note)

Note: The amount approved by Board of Directors on March 16, 2022.

7.1.2 Condensed Statement of Comprehensive Income

Financial Information (Consolidated)

Unit: NTD Thousands

Item \ Period	2017	2018	2019	2020	2021
Revenue	237,274,883	242,270,406	234,285,354	277,112,477	319,005,456
Gross profit	25,361,234	25,828,199	24,716,786	30,119,615	37,191,056
Operating income	3,669,734	3,738,489	3,077,814	8,935,838	14,162,861
Non-operating income and (expenses)	(230,602)	513,891	634,206	(30,735)	1,272,784
Income (loss) before taxes	3,439,132	4,252,380	3,712,020	8,905,103	15,435,645
Net income (loss)	2,796,733	2,901,960	2,568,374	6,145,610	11,287,313
Other comprehensive income (loss)	(1,697,788)	(192,878)	(950,104)	(1,171,551)	(3,142,607)
Total comprehensive income (loss)	1,098,945	2,709,082	1,618,270	4,974,059	8,144,706
Net income (loss) attributable to shareholders of the Parent	2,815,587	3,060,429	2,632,565	6,029,287	10,897,427
Net income (loss) attributable to non-controlling interests	(18,854)	(158,469)	(64,191)	116,323	389,886
Total comprehensive income (loss) attributable to shareholders of the Parent	1,115,222	2,876,293	1,693,913	4,850,535	7,818,893
Total comprehensive income (loss) attributable to non-controlling interests	(16,277)	(167,211)	(75,643)	123,524	325,813
EPS (in New Taiwan Dollars)	0.93	1.01	0.87	2.01	3.63

Consolidated financial statements for each year have been audited by CPA.

Financial Information (Unconsolidated)

Unit: NTD Thousands

Item \ Period	2017	2018	2019	2020	2021
Revenue	174,273,511	177,953,077	173,659,404	209,586,473	246,828,456
Gross profit	8,474,204	8,470,194	7,735,758	10,523,192	15,332,968
Operating income	3,027,940	2,726,867	2,299,916	4,490,834	8,504,857
Non-operating income and (expenses)	(1,722)	1,185,723	964,619	2,873,428	5,198,004
Income (loss) before taxes	3,026,219	3,912,590	3,264,535	7,364,262	13,702,861
Net income (loss)	2,815,587	3,060,428	2,632,565	6,029,287	10,897,427
Other comprehensive income (loss)	(1,700,365)	(184,136)	(938,652)	(1,178,752)	(3,078,534)
Total comprehensive income (loss)	1,115,222	2,876,293	1,693,913	4,850,535	7,818,893
EPS (in New Taiwan Dollars)	0.93	1.01	0.87	2.01	3.63

Financial statements for each year have been audited by CPA.

7.1.3 CPAs' and Auditors' Opinions

CPAs and opinions in the past five years

Year	Name of CPA(s)	Auditors' Opinion
2017	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2018	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion with the paragraph on emphasis of matter
2019	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2020	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2021	Huei-Chen Chang, Ching-Wen Kao	An Unqualified Opinion

7.2 Five-Year Financial Analysis

Financial Information (Consolidated)

Item			2017	2018	2019	2020	2021
Financial Ratio	Total liabilities to total assets(%)		63.22	61.69	62.08	66.32	69.26
	Long-term debts to fixed assets (%)		1,567.56	1,746.21	2,010.96	1,893.17	2,104.73
Ability to Payoff Debt	Current ratio(%)		135.45	141.82	144.10	134.34	135.29
	Quick ratio(%)		88.99	89.02	90.30	91.89	87.56
	Interest protection		16.23	25.26	20.61	58.34	46.85
Ability to Operate	A/R turnover (times)		5.20	5.13	4.83	5.30	5.35
	A/R turnover days		70.19	71.15	75.56	68.86	68.22
	Inventory turnover (times)		5.35	5.27	5.04	5.88	5.54
	A/P turnover (times)		4.43	5.23	5.57	5.84	5.25
	Inventory turnover days		68.22	69.25	72.42	62.07	65.88
	Fixed assets turnover (times)		56.31	60.92	63.25	74.62	80.54
	Total assets turnover (times)		1.47	1.55	1.51	1.63	1.60
Earning Ability	Return on assets(%)		1.85	1.95	1.75	3.69	5.80
	Return on equity(%)		4.84	4.96	4.35	10.15	17.64
	To Pay-in Capital (%)	Operating income	11.93	12.16	10.01	29.32	46.47
		PBT	11.18	13.83	12.07	29.22	50.64
	Net income ratio(%)		1.18	1.20	1.10	2.22	3.54
	EPS(NTD)		0.93	1.01	0.87	2.01	3.63
Cash Flow(%)	Cash flow ratio		(8.06)	(2.46)	(1.63)	24.83	5.02
	Cash flow adequacy ratio		(26.72)	20.94	(20.56)	111.82	63.59
	Cash reinvestment ratio		(16.40)	(7.34)	(5.90)	37.82	2.66
Leverage	Operating leverage		6.70	6.68	7.81	3.27	2.58
	Financial leverage		1.07	1.05	1.07	1.02	1.02

Analysis of Deviation over 20%:

Return on assets, return on equity, operating income to pay-in capital, PBT to pay-in capital, net income ratio, EPS and operating leverage: mainly due to increase in operating income, income before taxes and net income.

Cash flow ratio and cash reinvestment ratio: mainly due to decrease in cash flows from operating activities.

Cash flow adequacy ratio: mainly due to increase in the most recent 5-year cash flow from operating activities.

Financial Information (Unconsolidated)

Item			2017	2018	2019	2020	2021
Financial Ratio	Total liabilities to total assets(%)		51.87	50.85	50.45	55.86	60.93
	Long-term debts to fixed assets (%)		4,592.36	4,758.54	5,080.01	3,653.42	4,522.81
Ability to Payoff Debt	Current ratio(%)		82.24	82.94	86.36	88.16	97.58
	Quick ratio(%)		58.37	57.53	60.51	68.11	78.06
	Interest protection		14.89	32.79	29.64	113.38	266.24
Ability to Operate	A/R turnover (times)		7.65	7.93	6.65	7.44	6.64
	A/R turnover days		47.71	46.03	54.88	49.06	54.97
	Inventory turnover (times)		12.87	12.59	12.61	15.09	15.50
	A/P turnover (times)		4.21	5.01	5.39	5.64	5.08
	Inventory turnover days		28.35	28.99	28.94	24.18	23.54
	Fixed assets turnover (times)		126.50	131.15	130.28	132.84	137.71
	Total assets turnover (times)		1.40	1.50	1.48	1.65	1.65
Earning Ability	Return on assets(%)		2.41	2.66	2.32	4.80	7.30
	Return on equity(%)		4.90	5.30	4.53	10.21	17.58
	To Pay-in Capital (%)	Operating income	9.84	8.87	7.48	14.73	27.90
		PBT	9.84	12.72	10.62	24.16	44.96
	Net income ratio(%)		1.62	1.72	1.52	2.88	4.41
	EPS(NTD)		0.93	1.01	0.87	2.01	3.63
Cash Flow(%)	Cash flow ratio		1.22	(9.66)	(1.10)	25.50	5.79
	Cash flow adequacy ratio		53.14	(23.75)	(57.81)	60.56	98.24
	Cash reinvestment ratio		(1.28)	(11.10)	(4.27)	21.71	0.47
Leverage	Operating leverage		2.81	3.02	3.22	2.28	1.79
	Financial leverage		1.08	1.05	1.05	1.01	1.01

Analysis of Deviation over 20%:

Long-term debts to fixed assets: mainly due to decrease in property, plant and equipment.

Interest protection, return on assets, return on equity, operating income to pay-in capital, PBT to pay-in capital, net income ratio, EPS and operating leverage: mainly due to increase in operating income, income before taxes and net income.

Cash flow ratio and cash reinvestment ratio: mainly due to decrease in cash flows from operating activities.

Cash flow adequacy ratio: mainly due to increase in the most recent 5-year cash flow from operating activities.

1. Financial Ratio

(1) Total liabilities to total assets=total liabilities/total assets

(2) Long-term funds to Net property, plant and equipment= (net equity+long term debts)/net property, plant and equipment

2. Ability to Pay off debt

(1) Current ratio=current assets/current liability

(2) Quick ratio= (current assets-inventory-prepaid expenses)/current liability

(3) Interest protection=net income before income tax and interest expense/interest expense

3. Ability to Operate

(1) Account receivable (including account receivable and notes receivable from operation) turnover=net sales/the average of account receivable (including account receivable and notes receivable from operation) balance

(2) A/R turnover day=365/account receivable turnover

(3) Inventory turnover=cost of revenue/the average of inventory

(4) Account payable (including account payable and notes payable from operation) turnover=cost of revenue /the average of account payable (including account payable and notes payable from operation) balance

(5) Inventory turnover day=365/Inventory turnover

(6) Net property, plant and equipment turnover=net sales/average Net property, plant and equipment

(7) Total assets turnover=net sales/average Total assets

4. Earning Ability

(1) Return on assets= [PAT+interest expense× (1-tax rate)]/the average of total assets

(2) Return on equity=PAT/the average of total equity

(3) Net income ratio=PAT/net sales

(4) EPS = (Earning attributable to shareholders of the Company -dividend from prefer stock)/weighted average outstanding shares

5. Cash Flow

(1) Cash flow ratio=cash flow from operating activities/current liability

(2) Cash flow adequacy ratio=most recent 5-year cash flow from operating activities=most recent 5-year (capital expenditure+the increase of inventory+cash dividend)

(3) Cash reinvestment ratio= (cash flow from operating activities-cash dividend)/(gross property, plant and equipment+long-term investment+other non-current assets+working capital)

6. Leverage

(1) Operating leverage= (net revenue-variable cost of revenue and operating expense)/operating income

(2) Financial leverage=operating income/ (operating income-interest expenses)

7.3 Audit Committee Review Report

The Board of Directors has prepared the Company's 2021 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 16, 2022

7.4 Consolidated Financial Statements Audited by CPAs of the Past Year

Please refer to Appendix I.

7.5 Parent-Company-Only Financial Statements Audited by CPAs of the Past Year

Please refer to Appendix II.

7.6 Disclosure of the Impact on Company's Financial Status Due to Financial Difficulties

None

Review of Financial Position, Management Performance and Risk Management

8

8.1 Financial position (Consolidated Financial Statements)

Major impact on financial position

Unit: NTD Thousands

Item \ Period	2021	2020	Difference	
			Amount	%
Current assets	175,095,238	148,736,476	26,358,762	17.72
Property, plant and equipment	4,055,870	3,865,909	189,961	4.91
Intangible assets	16,527,283	16,292,729	234,554	1.44
Other assets	19,109,920	15,013,558	4,096,362	27.28
Total assets	214,788,311	183,908,672	30,879,639	16.79
Current liabilities	129,423,055	110,720,318	18,702,737	16.89
Non-current liabilities	19,342,313	11,246,390	8,095,923	71.99
Total liabilities	148,765,368	121,966,708	26,798,660	21.97
Common stock	30,478,538	30,478,538	0	0.00
Capital surplus	27,514,269	27,378,068	136,201	0.50
Retained earnings	16,886,389	10,869,033	6,017,356	55.36
Other equity	(8,287,624)	(5,517,452)	(2,770,172)	50.21
Treasury stock	(2,914,856)	(2,914,856)	0	0.00
Equity attributable to shareholders of the Parent	63,676,716	60,293,331	3,383,385	5.61
Total equity	66,022,943	61,941,964	4,080,979	6.59

Analysis of Deviation over 20%:

Other assets: The increase was mainly due to increase in financial assets measured at fair value through other comprehensive income-non-current.

Non-current liabilities: The increase was mainly due to increase in bonds payable.

Retained earnings: The increase was mainly due to increase in net income attributable to shareholders of the Parent.

Other equity: The increase was mainly due to increase in loss from foreign currency translation difference.

8.2 Financial performance (Consolidated Financial Statements)

Major impact on financial performance

Unit: NTD Thousands

Item \ Period	2021	2020	Difference	
			Amount	%
Revenue	319,005,456	277,112,477	41,892,979	15.12
Cost of revenue	(281,814,400)	(246,992,862)	(34,821,538)	14.10
Gross profit	37,191,056	30,119,615	7,071,441	23.48
Operating expenses	(23,140,474)	(21,412,550)	(1,727,924)	8.07
Other operating income and expenses, net	112,279	228,773	(116,494)	(50.92)
Operating income	14,162,861	8,935,838	5,227,023	58.50
Non-operating income and loss	1,272,784	(30,735)	1,303,519	4,241.16
Income before taxes	15,435,645	8,905,103	6,530,542	73.33
Income taxes expense	(4,148,332)	(2,759,493)	(1,388,839)	50.33
Net income	11,287,313	6,145,610	5,141,703	83.66
Other comprehensive loss for the year, net of taxes	(3,142,607)	(1,171,551)	(1,971,056)	168.24
Total comprehensive income	8,144,706	4,974,059	3,170,647	63.74
Net income attributable to shareholders of the Parent	10,897,427	6,029,287	4,868,140	80.74
Total comprehensive income attributable to shareholders of the Parent	7,818,893	4,850,535	2,968,358	61.20

Analysis of Deviation over 20%:

1. Gross profit: The increase was mainly due to higher revenue.
2. Other operating income and expenses, net: The decrease was mainly due to lower government grant.
3. Operating income: The increase was mainly due to higher gross profit.
4. Non-operating income and loss: The decrease was mainly due to lower foreign currency exchange gain and higher gain on financial assets and liabilities measured at fair value through profit and loss.
5. Income before taxes: The increase was mainly due to higher gross profit.
6. Income taxes expense: The increase was mainly due to higher income before taxes.
7. Net income: The increase was mainly due to higher gross profit.
8. Other comprehensive loss for the year, net of taxes: The increase was mainly due to increase in loss from foreign currency translation difference.

8.3 Cash flows (Consolidated Financial Statements)

8.3.1 Major impact on cash flows

Unit: NTD Thousands

Item \ Period	2021
Cash and cash equivalents at beginning of period	39,181,023
Cash flows from operating activities	6,497,815
Cash flows from investing activities	(20,991)
Cash flows from financing activities	894,655
Effect of foreign exchange rate changes	(1,932,961)
Cash and cash equivalents at end of period	44,619,541

Analysis of cash flows in 2021:

NT$6.5 billion net cash provided by operating activities: mainly from increase in profit after tax, notes and accounts payable, other payables and other current liabilities.

NT$0.02 billion net cash used in investing activities: mainly from acquisition of financial assets at fair value through profit or loss.

NT$0.9 billion net cash provided by financing activities: mainly from issuance of corporate bond, repayment of long-term debt and cash dividends paid.

8.3.2 Remedial actions for liquidity shortfall

Remedial actions are not required.

8.3.3 Analysis of cash liquidity for next year

Not applicable

8.4 Major capital expenditures and impact on financial and business in recent years

None

8.5 Long-term investment policy and results

The investments accounted for using equity method are for strategic purpose. The share of profits of associates and joint ventures amounted to NT$ 68,427 thousands on consolidated statements mainly due to the investees earned a profit. Acer will still focus on strategic purpose with adequate and prudent assessment.

8.6 Risk Management

8.6.1 Impact of Interest Rate, Exchange Rate and Inflation on Company's P&L and Future Strategy

1.Interest Rate Fluctuation

With high inflation, FED is expected to start rate hike and the market will be concerned about its progress in raising rate. ECB may follow the footsteps of FED to adjust its monetary policy. The Central Bank of the Republic of China (Taiwan) is expected to ensure the interest rate stable and Acer's interest expense will reflect the market trend. Short-term TWD and foreign currency deposits remain to be the most common used instruments for Acer to optimize return while reducing risk.

2.Exchange Rate

With the economy gradually recovering from the epidemic and the normalization of monetary policy, USD would outperform. EUR might be weak accordingly due to geopolitical risks. The stable growth of China's economy will support RMB. The monetary policies of major economies influence the stability of the currencies in emerging markets. Acer will maintain its strategy to meticulously hedge its foreign positions to minimize the impacts on earnings caused by foreign exchange rate fluctuations.

3.Inflation

According to recent IMF World Economic Outlook, rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated. Appropriate measures will be taken accordingly to minimize impacts on business operation if need.

8.6.2 The Policy Regarding High-Risk/Highly Leveraged Investments, Lending, Endorsements, and Guarantees for Other Parties; The Main Reasons for the Profits/Losses Generated Thereby; And Response Measures To Be Taken In The Future

Company will use high-safety, high-liquidity, and fixed-income financial instruments provided by financial institutions with high credit rating for the utilization of short-term idle funds. Company will use investment of leading and relative industry for the utilization of long-term idle funds.

Company does not engage in lending, endorsements and guarantees, unless for its subsidiaries; provides, if there is any necessities to lend, endorse, and guarantee to other parties for business purpose, it shall be done in accordance with Company's "Procedures Governing the Acquiring or Disposing of Assets" and "Procedures Governing Endorsement and Guarantee" .

As of December 31, 2021, the aggregated amount of guarantees provided is NTD 21,183,939,000, among which NTD4,285,861,000 was actually used.

Company does not engage in financial derivative transactions unless for hedging purpose. ; If Company engages in financial derivative transactions for business purpose, it shall be done in accordance with Company's "Regulations of Foreign Exchange Risk Management and Structured Deposit."

8.6.3 Research and Development Plan in the Future and Estimated Expense

Company and its affiliates focus on keeping invest in researching and developing (R&D) not only for computers and accessories & peripherals, but for smart retail, artificial intelligence application, smart medicine and healthcare, technology of big data, cloud platform, Video System and Electric bicycle etc. in the near future. The plans are summarized as follows:

Research item	Description
Artificial intelligence	R&D of algorithm, application and service of machine learning and artificial intelligence.
Smart medicine and healthcare	To develop assistant tools and service of artificial intelligence diagnosis, and wearable of physiology monitor by Acer's deep learning and big data system technologies, as well as cooperation with hospital's huge amount of data and medical knowledge.
Big data technology	Data mining, data cleaning, big data management, machine learning and advance analysis of big data.
Cloud platform	To build and develop a cloud platform, and provide a complete solution with the applications of information analysis and artificial intelligence for the necessity for IOT devices.
Video System	In response to post-epidemic era, we develop Video Conference System, Remote Medical System, and apply key Video Technology to the field needing the system in the future.
Electric bicycle	Research and develop motor controller hardware and software algorithm, combine various electric-assist bicycle motors, and analyze those data to optimize motor output power and performance.

It is estimated expense around 0.8% to 1.5% of 2022 total revenue for all R&D plans.

8.6.4 Impacts associated with domestic and international important policies and regulation changes to Company's financial and business and the response measures to be taken in the future

As of the date of print of this annual financial report, the relevant domestic and international important policies and regulation changes have no immediate, obvious and significant expected impacts on the Company's finances and business. Company continues to pay attention to domestic and international important policies and regulation changes to evaluate the impacts timely and then take appropriate steps to protect the Company's finance and business.

8.6.5 Impact Associated with Changes in technology and industry to Company's financial and business and the response measures to be taken in the future

Nowadays, the Information and Communication Industry and relevant technologies change rapider and rapider, which, though, causes no immediately foreseeable, significant and negative impacts on the company's finance and business, Company still continuously and densely focus on the prospects of technology and trends of markets for lead arrangement of business operating. Except self-developing /controlling technologies, Company cooperates with partners in Joint-Development and Joint-Business, and develops new business to foresee the future trendy to technologies and changes of business for keeping competitiveness. Meanwhile, Acer puts the dual transformation strategy into practice vigorously not for finding new markets to its core business, but for new business multiple growth engines by its existing sources and reputations, and that will ambitiously strengthen its performance and new business development. Moreover, Company will focus on gaming PCs, Creator solutions, commercial business growth, in addition to new initiatives including AOPEN, ACSI, AST, Weblink, and more, as its main growth energy to maintain Acer's energy of innovation and progress.

The Company was attacked by ransomware because a WFH employee accidently opened a phishing email, and will probable face similar attacks in the future. In order to prevent and mitigate the damages caused by these kinds of attacks, the Company implements and continuously improves related measures. For example, the Company may implement malicious email filter mechanism can reduce the phishing emails received by the employee, strengthen the firewalls and network control to prevent malware infection crossing different regions, control special accounts by multilayer mechanism to prevent account hacking, implement advanced resolutions to review the machine compliance, execute the system vulnerability scan and patching periodically and conduct the employee's awareness practice.

The Company's cybersecurity defenses would focus on the following issues in the future:

1. The Company shall prevent the customer data leakage. Given that the Company is under multilayer protections, the hackers is unable to obtain the customer data by ransomware attack.
2. The Company shall strengthen overall cybersecurity defense and monitor mechanism. Considering the difficulties of attack, the hackers may reduce their attack intentions. The Company may also implement overall endpoint detection and response software to ensure the visibility of abnormal behaviors.
3. The Company may divide its internal systems, adopt zero trust structure among each regional system and the headquarters' data center, and strengthen the business continuity practice of IT systems. Therefore, the Company may reduce the affected scope eve under the hacker's malicious attack, and recover the system within an acceptable time frame.

8.6.6 The Impacts of enterprise crisis management from Changes in Corporate Reputation and the response measures to be taken in the future

Company has transformed manufacturing into a brand company of information and communication products and service, thus, it focuses on global operations and supply chain management, which results in the shift of the scope of corporate crisis management. Via multi-vendor strategies to separate the risks of cooperation with a single partner, the inventory management of Company will be more resilient. In addition, due to the uncertain global situation, crisis and challenges may occur at any time, Company actively strengthens the awareness of crisis management, develops preventive measures to avoid the occurrence of crisis, and establishes risk management mechanism. If a crisis should be encountered, the losses of risk could be reduced to ensure Company will be evergreen.

8.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

None

8.6.8 Predicted Benefits and Potential Risk to Company with Factory/Office Expansion

None

8.6.9 Potential Risks to Company from the Consentration of Procurement and Sales

None

8.6.10 Affect on Company from Shares Transfers by Directors, Supervisors or Shareholders Holding More Than 10% Shares

None

8.6.11 Impact and Potential Risks to Company Management Team Change

None

8.6.12 The major litigious, non-litigious or administrative disputes that: (1) involve Acer and/or any Acer director, any Acer supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 %, and/or any company or companies controlled by Acer; and (2) have been concluded by means of a final and definitive judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of printing of this annual report shall be disclosed as follows

1. The status of the dispute as of the date of printing of this annual report:
   (1) A US company filed a lawsuit against Acer in the superior court of California based on cause of actions for misappropriation of trade secrets and breach of a non-disclosure agreement. Acer has engaged external law firms to deal such litigation. Acer has properly accrued provisions based on development of the aforesaid lawsuit. Thus, Acer foresees no immediate material adverse effect on the Acer's business operations and finance.
   (2) Acer from time to time receives notices from third parties asserting that Acer has infringed certain patents or demands Acer obtain certain patents licenses. Although Acer does not expect that outcome of the notices, individually or collectively, will have a material adverse effect on Acer's financial position or operation, given the outcome of legal proceedings are difficult to foresee, relevant settlements may affect Acer's result of operation or cash flow in a particular period.
   (3) Due to the globally fast-changing environment, Acer has faced many kinds of challenges and different interpretation from local tax authorities; therefore, for the tax cases which reach the requirements of liability reserve (including but not limited income tax, withholding tax, and sale tax), Acer has prior-estimated properly accordance with relevant rules. However, tax issues are usually complicated, time-consuming, and unpredictable, thus there would be an influence to Acer's business result or cash flow on specific period.
2. In year 2021 and as of the date of printing of this annual report, any Acer director, supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10% were not involved in any material litigious, non-litigious or administrative disputes of which the result could materially affect shareholders' equity or the prices of Acer's securities.
3. In year 2021 and as of the date of printing of this annual report, any subsidiaries and affiliates controlled by Acer were not involved in any material litigious, non-litigious or administrative disputes of which the result could materially affect Acer shareholders' equity or the prices of Acer's securities.

8.6.13 Other important risks

Acer's business philosophy is ultimately focused on sustainable development. We firmly believe that rigorous and robust risk management not only speaks to Acer's long-term commitment to customers, employees, supply chain partners, and investors, but also ensures that we take concrete measures that result in stable business and the implementation of corporate social responsibility. Sustainable development is inextricably linked with risk management. Only by continuously identifying and analyzing the short-term changes and long-term trends in risk and implementing relevant risk management strategies can we ensure that the Company's hard-won results are maintained and our development goals achieved.

To realize our vision for sustainable development and create a risk-conscious corporate culture, all levels of the Company follow the risk management measures set out in the organizational management system and operational workflow. The Company is also committed to the ongoing improvement of our risk management practices through the participation of top-level management and the use of our Enterprise Risk Management framework and international standards as references. Acer's risk management policy was established and approved by the Board of Directors on March 16, 2022.

Acer takes a proactive and cost-effective approach to the assessment, prioritization, and boundary definition of risk appetite for potential risks related to strategy, operations, finance, disasters, and climate change that may affect any aspects of operations and profitability. Through this, we facilitate the development of corresponding risk management strategies and prevention/mitigation measures, enforcement mechanisms, and responsible organizations to ensure that key risks are effectively controlled and responded to appropriately. To continuously monitor and strengthen risk management practices and response measures, the Audit Committee assesses importance and urgency through risk prioritization, including this in the routine discussion agenda and determining the issues to be reported and the responsible unit. The Audit Committee regularly aggregates risk environment, risk management priorities, risk assessment results, and related response measures, with the chair reporting this to the board.

Acer's Risk Management Organizational Structure

Organizational History

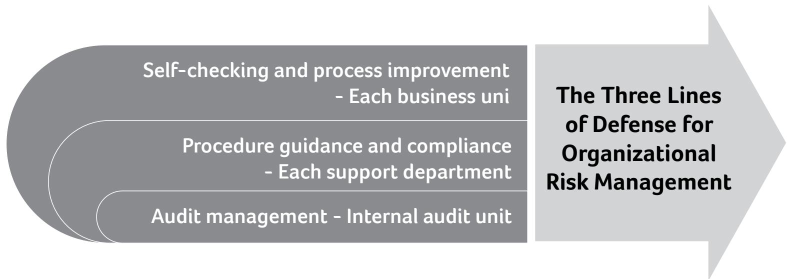
- Late 2012 — A Risk Management Working Group is established with members from Legal, Finance, Human Resources, Supply Chain Management, Enterprise Communications, Marketing, QA & Services, IT, Environmental Safety & Health, and Asset Management Departments, all Product Business Groups, and the ESG Office. In regular meetings, the members of the working group are invited to identify, assess, and discuss potential and emerging risks in three major areas: economic, environmental, and social.
- FY2018 — The former Global Corporate Social Responsibility Committee (GCSRC) is restructured into the Corporate Sustainability Committee (CSC), with the Risk Management Working Group as a unit under the CSC. We believe that this reorganization not only further strengthens our existing risk management practices, but also helps in building a corporate culture intensely aware of risk management through discussion with and participation by top-level management across departments and business units.
- FY2022 — Acer formally establishes the Risk Management Committee and completes the formulation of Acer's Risk Management Policy. The establishment of the Risk Management Committee and the Risk Management Policy are approved by the Audit Committee at the March Audit Committee meeting and then submitted to the Board of Directors for approval.

Acer's Risk Management Organizational Structure

Acer's Risk Management Organizational Structure

Board of Directors/Audit Committee	• is the highest authority of risk management. • consider whole operation strategy and environment, promote and practice whole risk management policy to ensure its effectiveness.
Risk Management Committee	• comprises highest-level officers of various business units, and the chief of internal auditor as the observer. • reports to Audit Committee and Board of Directors. • integrates risk environment, risk management main point, the result of the assessment and relevant solution. • indicates and authorizes the priority of risk management. • supervises and directs the improvement of risk management. • the observer regularly reviews the condition of execution of risk management policy.
Risk Management Working Group	• comprises the director representatives of various business groups or functional teams of the headquarter. • identifies risks, and assesses potential risk scenarios and its operation impact. • on the basis of risk scenarios, plans and executes risk prevention and mitigation. • constantly improves risk management action and ensures its effectiveness. • integrates enterprise risk reports and reports to Risk Management Committee. • establishes relevant procedures of crisis management and maneuvers.

The "Three Lines of Defense" Framework for Organizational Risk Management



Risk Management Procedure

1.Risk Identification and Assessment

- Risk Management Working Group members identify risks and assess potential risk scenarios and operational impacts using relevant risk management assessment tools such as the Risk Analysis/Scoring Worksheet and risk map.

2.Risk Management and Mitigation

- The Risk Management Working Group serves as a platform to facilitate communication of risk across business units/functional organizations and promote the strengthening of risk control and mitigation programs within each business unit/functional organization.
- The Risk Management Working Group runs the risk control program and regularly tracks the progress and effectiveness of the program to ensure continuous improvement of risk management.
- Each unit incorporates risk control into its annual internal control self-assessment review.

3.Risk Monitoring and Enterprise Risk Management Reporting

- The Risk Management Working Group aggregates risk environment, risk management priorities, assessment results, and related response measures, which are then approved/ruled on by the Risk Management Committee.
- The Risk Management Committee reports to the Audit Committee and Board of Directors at least once every year.

Risk Management Domains

Risk Management Procedure

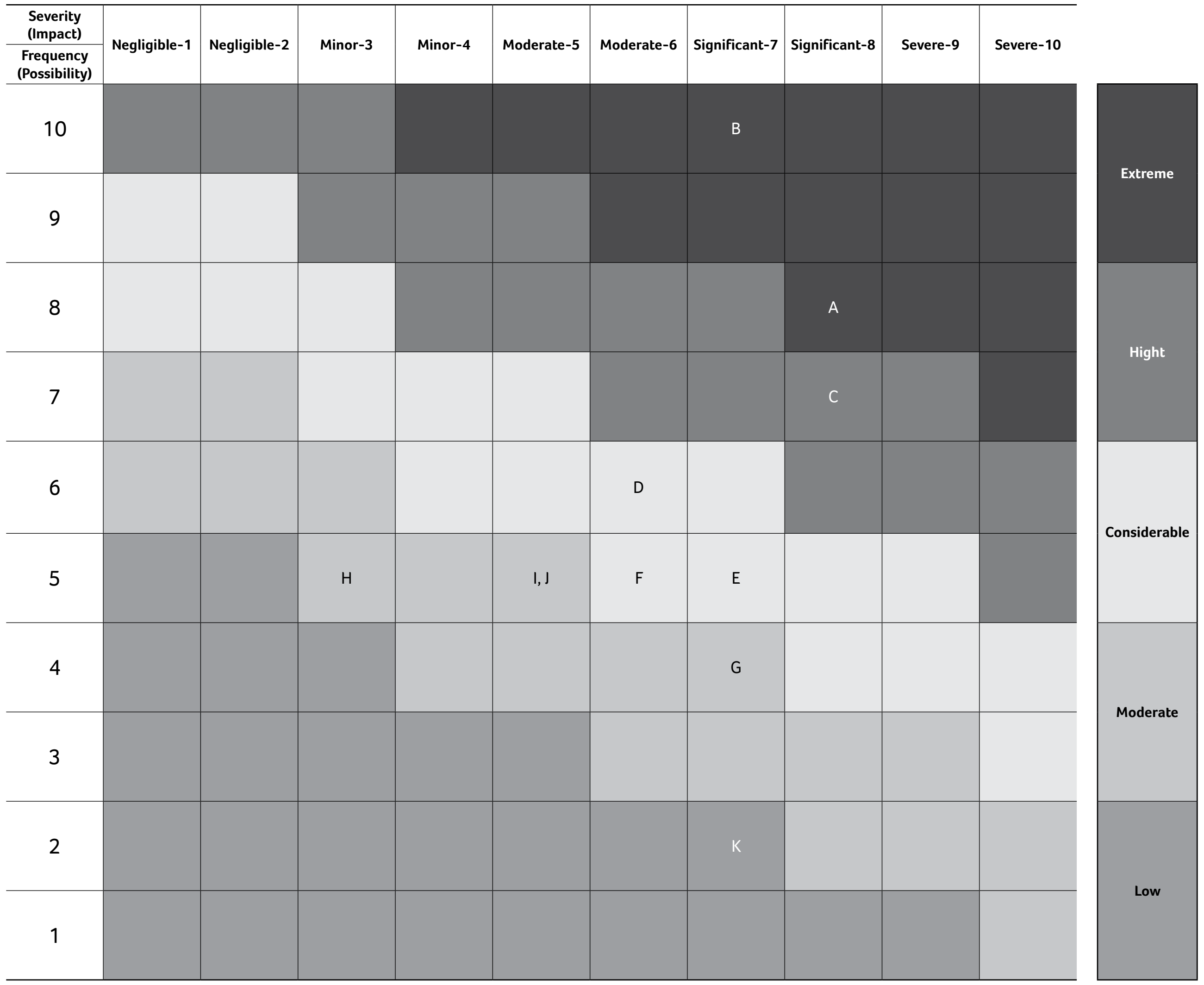
Effectiveness of Risk Identification and Management Effect in 2021

The Company's risk management organizations use risk mapping to assess potential threats to the Company's future operations based on the likelihood of various risks and the extent of the damage were they to occur, classifying the risks and ensuring proper prioritization of risk management strategies. At the same time, we use sensitivity analysis and stress testing to undertake further quantitative analysis of each risk item and examine whether there is a high correlation between risk factors.

The Risk Management Working Group aggregates the results of these analyses and tests, then drafting follow-up action plans and reporting to the group's convener. In 2021, the Risk Management Working Group identified a total of 71 risk items, of which 6, in areas including risk of interruptions to operations, information security risk, and extreme climate risk, were categorized as medium-high risk or higher. Designated personnel from the relevant departments are responsible for drafting follow-up risk management strategies and related implementation plans concerning risk items identified and analyzed, including commonly used response methods such as loss prevention, avoidance, separation & duplication, transfer, and retention. In addition, they also assess appropriate resource inputs, execution priorities, methods for follow-up progress tracking. At the same time, incident response plans and crisis management mechanisms are developed to reduce the possible adverse effects of various potential risks on operations. Significant risk information is also reported to the Audit Committee. 2021 Annual Report content includes:

1. Enterprise Risk Management Report—Acer Group's Legal Compliance Planning
2. Enterprise Risk Management Report—Acer Group's Information Security Management
3. Enterprise Risk Management Report—Acer Group's Customer Credit Risk Management
4. Enterprise Risk Management Report—Post-Pandemic Inventory Risk Management

Bringing together all of the above, we continue to actively implement relevant risk management practices, employing a forward-looking outlook on prevention and a cautious approach to the risks and challenges facing the Company both now and in the future. The Audit Committee aggregates risk environments, risk management priorities, risk assessment results, and corresponding response measures, with the chair reporting to the board.



Note:

1. The risk identification/analysis process begins in Q4 each year and is completed in Q1 the following year.
2. The risk map is based on the results of the assessment of risk levels of 2021 risk items.
3. Some risk items are presented by category.

A	Information security risk	Losses arising from leaks of personal information, malicious programs, computer viruses, or hackers
B	Market/inventory management risk	Including risks arising from slowing market demand and slow inventory turnover
C	Extreme climate risk	Risks due to climate change and various extreme weather phenomena
D	IP and litigation risk	Includes patent litigation filed by competitors regarding intellectual property
E	Business interruption risk	Losses due to interruption of business caused by accidents
F	Climate-related transition risk	Where products may not comply with regional low-carbon product specifications or standards or ones that may be promoted on the customer end in the future (e.g., product energy consumption standards, product carbon footprint information, etc.), this may result in an inability to sell in the region, meet public sector procurement specifications, or remain competitive in terms of products
G	Interest rate risk	Impairment of property value due to exchange rate fluctuations
H	Labor-related risk	Risks such as labor shortages or loss of high-level management talent
I	Liability risks for directors and managers	Potential liability risks produced by the execution of directorial and managerial duties
J	Supply chain related risk	Risks related to supply chain due to shortage of materials and labor, or logistics service providers due to shortage of containers and port congestion; vendor environmental and labor human rights risks; etc.
K	Credit risk	Risks relating to payee's ability or willingness to repay

Emerging Risks

The Risk Management Working Group identified several emerging risks between 2021 and early 2022, including information security risks, extreme climate risks, large-scale infectious disease, supply chain-related risks, and geopolitical risks, and we have invited the relevant departments for in-depth discussions. We hope that through group discussions and focused thinking, we can assess the potential negative impact of each emerging risk item on the Company's future operations. In response to information security risk, the Risk Management Working Group summarizes patterns of potential losses, including loss of goodwill, interruptions to operations, data leakage, and ransomware. The group also works with the IT Department to consolidate basic information security principles and work toward ongoing refinements, helping us earn ISO 27001 international information security certification in 2020. In addition, Acer has continued to purchase cyber insurance policies since 2018 and regularly reviews the completeness of the overall coverage every year. Beyond risk transfer considerations, Acer also seeks further assistance and resources from external information security experts through the international cyber insurance market. With the rapid development of information technology and continuous investment into various innovative applications, we will continue to pay attention to the development of trends in information security risk (e.g., information security risks arising from the use of remote working models) to continuously review and improve the relevant information security principles and appropriate risk transfer measures.

- Review externally oriented services
- Make use of the principle of least privilege and encryption
- Identify and protect endpoint security
- Pay attention to application security
- Educational users
- Find and protect the weakest link
- Pay attention to the latest information security standards and attack methods

Acer continues to focus on the long-term trends and threats of global climate change and extreme weather phenomena, and will formally introduce the Task Force on Climate-related Financial Disclosures (TCFD) assessment framework in 2020. Our Supply Chain Management Department is currently assessing changes in low temperature that may be encountered during transportation along particular routes, discussing and cooperating with shipping companies to enact feasible preventive measures based on the type and characteristics of products. In addition, in response to the interruption of infrastructure services and other operation-related risks (e.g., typhoons, floods, fires, etc.) caused by storms or blizzards like those that have struck Texas, Acer has begun developing a basic incident response/business continuity plan (IR/BCP) for our global warehousing locations in 2021, starting with a pilot project at our headquarters in Taiwan. (This project was completed in January 2022, and on-site exercises and validation were completed at Acer's Taoyuan warehouse.) In the future, the program will be evaluated and gradually incorporated into implementation/improvement efforts and regular audits based on the resource situation at each global warehouse location, or further incorporated into the evaluation program for the selection of warehouse service providers, thus strengthening warehouse logistics management risk resilience in a gradual and orderly manner.

With regard to future development trends and potential negative impacts of supply chain-related risks and geopolitical risks, such as trade protectionism, related barriers and economic & financial sanctions between countries, or supply chain-related risks due to shortages of materials and labor, or logistics service providers due to shortage of containers and port congestion, the Risk Management Working Group has collated the types of losses that may occur (including a decline in sales or market share due to political/economic instability, labor-related costs due to migration or of production bases, and so forth). We will closely monitor the long-term development trends in related risks and their subsequent impacts, diversifying our upstream components vendors, and continue our efforts to develop new niche markets and sales channels to distribute operational risks and reduce the impact and uncertainty caused by changes in supply chain, logistics, and global political/economic conditions.

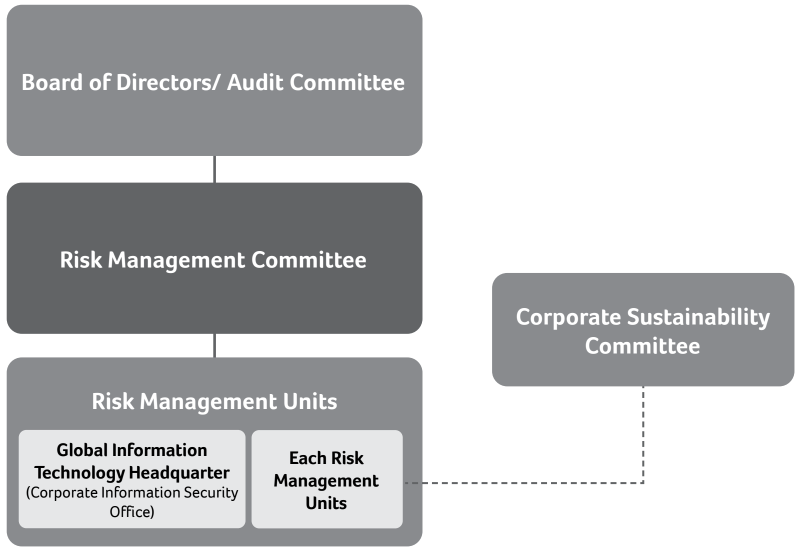
With the rapid development of the SARS-CoV-2 (COVID-19) pandemic in early 2020, Acer Global Headquarters quickly established an Emergency Response Committee and instructed operations worldwide to similarly set up local response committees to facilitate prompt risk assessment and internal communications for work relating to pandemic response. To ensure the health and safety of company staff during the pandemic, the Emergency Response Committee also set out temporary restrictions and safety regulations for cross-border business travel, requiring company employees to declare daily contact history and travel history on internal systems and instructing them to strengthen access control management measures to minimize the opportunities for contact between company employees and outside personnel. In addition, Acer has continued to evaluate how to maintain smooth operations through remote systems via "work from home" measures while ensuring the data and system security should another pandemic occur in the future; we have also conducted drills to confirm that prior planning and arrangements can be implemented in the event of unforeseen circumstances. During this pandemic, Acer is also keeping a close eye on the potential impact of COVID-19 on supply chain management staff and partners, monitoring the resumption of work and production along with contingency plans. In this way, we aim to ensure a suitable inventory of key components and finished products, minimizing the subsequent negative impact of COVID-19.

8.6.14 Information disclosure of Cybersecurity Management

8.6.14.1 Cybersecurity Management Strategy and Framework

1. Cybersecurity Risk Management Framework

The Company established Risk Management Committee in 2022, and Global Information Technology Headquarter is a subordinate unit of such committee. The Corporate Information Security Division of Global Information Technology Headquarter is responsible for the adoption, execution and risk management of the Company's cybersecurity management and protection policies. The officer of Risk Management Committee would report the cybersecurity management results, cybersecurity issues and directions to board of directors and audit committee at least once a year.



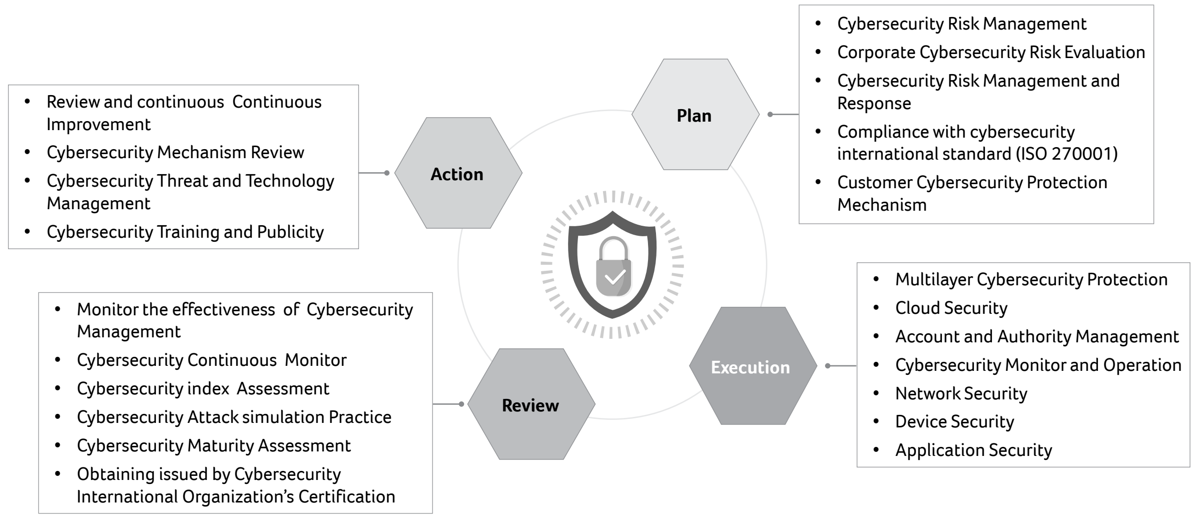
2. Cybersecurity Policies

(1) Corporate Cybersecurity Management Strategy and Framework

In order to fully enforce the cybersecurity management, the corporate cybersecurity unit may convene the meeting of ISMS (Information Security Management System, ISMS) every two weeks for reviewing cybersecurity policies' applicability and protection measures based on Plan-Do Check-Act (PDCA) management cycle system, and would annually arrange internal and external audit to ensure the operation compliance and protection of the material assets' confidentiality, Integrity and availability. ISMS focuses on cybersecurity risk management, andensure IT infrastructure and core systems to continuously obtain the certification of ISO/IEC 27001., to reduce the threats of corporate cybersecurity from the perspectives of system, technology and procedure, and build up the confidential information protection for the company

In addition to ISMS, the Company took NIST Cybersecurity Framework (CSF) as a reference in 2021 to increase multilayer cybersecurity protections by covering cybersecurity's five functions, including identity (developing an organizational understanding for managing cybersecurity risk to systems, people, assets, data, and capabilities), protection (establishment of appropriate safeguards to ensure delivery of critical infrastructure services), detect (defining the appropriate activities for identifying the occurrence of a cybersecurity event.), respond (adoption of appropriate activities to take action regarding a detected cybersecurity incident) and recover (identifying appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident). The Company fully enforce the cybersecurity life cycle's risk management, continuously implements new cybersecurity defense technology, integrate the cybersecurity control mechanism into software and hardware operation and daily operation procedure, systematizes cybersecurity monitor, and use NIST CSF framework to continuously review the Company's cybersecurity for developing future strengthen plan.

(2) Corporate Cybersecurity Risk Management and continuous Improvement Structure



(3) Comprehensive Management Plan

Multilayer Cybersecurity Protection

Device Security	• To comprehensively implement EDR (Endpoint Detection and Response). • To strengthen the detection of malicious software by endpoint antivirussolution.
Account Security	• To comprehensively implement MFA (Multi-Factor Authentication) when the employee need to remotely use the Company's resources, such as VPN and cloud services. • To cooperate with third party for searching the account exposed in dark web so the Company may change the passwords actively.
Network Security	• To strengthen the firewalls and the management of ACL (Access-control list). • To implement NAC (Network Access Control) and forbid non-complaint devices to access the Company's resources.
Application Security	• To annually conduct web security assessment to the website which provide public service and patch its vulnerability. • To review outdated and vulnerable software and implement necessary upgrade.

Cybersecurity Management Result Monitoring

The Company continuous ly responses and corrects cybersecurity defects by third-party assessments to ensure that its cybersecurity protection mechanism meets industry standards.

Assessment of Cybersecurity Maturity	• To engage external experts for the Company's cybersecurity assessment.

The industry standard show as blue curve. The grade score is around 84 points and the maturity level is B.

Score of Acer show as black curve. Except that global cybersecurity event in May 2021 also the India and Taiwan service website cybersecurity event in October 2021 influenced the cybersecurity maturity so the score points were deducted, the remaining parts maintain upward trend aligning with international industry standard.

Review and Continuous Improvement

Cybersecurity Training and Publicity	• To conduct training periodically for enhance the employees' cybersecurity awareness. • To strengthen the employees' awareness to phishing email and implement related email protection solution.

(4) Investments in Resources for Cybersecurity Management

2021 Corporate Cybersecurity Measure Execution Results

8.6.14.2 Cybersecurity Risks and Mitigating Measures:

1. Cybersecurity Risks and Management Measures:

The Company has been established comprehensive internet and computer cybersecurity protection measures but cannot guarantee to fully avoid the third party's internet attacks which may cause breakdown of the computer systems controlling the corporate's major functions. Under the condition of serious internet attacks, the systems may probably lose the Company's important data. Malicious hackers and the interest attacks caused by geopolitics can also intentionally spread computer virus, destructive software, and ransomware in the Company's systems and disturb the Company's operation.

The Company was attacked by ransomware because a WFH employee accidently opened a phishing email, and will probable face similar attacks in the future. In order to prevent and mitigate the damages caused by these kinds of attacks, the Company implements and continuously improves related measures. For example, the Company may implement malicious email filter mechanism can reduce the phishing emails received by the employee, strengthen the firewalls and network control to prevent malware infection crossing different regions, control special accounts by multilayer mechanism to prevent account hacking, implement advanced resolutions to review the machine compliance, execute the system vulnerability scan and patching periodically and conduct the employee's awareness practice.

The Company's cybersecurity defenses would focus on the following issues in the future:

1. The Company shall prevent the customer data leakage. Given that the Company is under multilayer protections, the hackers is unable to obtain the customer data by ransomware attack.
2. The Company shall strengthen overall cybersecurity defense and monitor mechanism. Considering the difficulties of attack, the hackers may reduce their attack intentions. The Company may also implement overall endpoint detection and response software to ensure the visibility of abnormal behaviors.
3. The Company may divide its internal systems, adopt zero trust structure among each regional system and the headquarters' data center, and strengthen the business continuity practice of IT systems. Therefore, the Company may reduce the affected scope eve under the hacker's malicious attack, and recover the system within an acceptable time frame.

2. Major Cybersecurity Event:

The Company was hacked by REvil, a hacking group, and the group was demanding the payment of USD50M (around NTD 1400M) as ransom in March 2021. The leaked information includes financial spreadsheets, bank balances, and bank communications. The Company was also blackmailed by Desorden, a hacking group, for the payment of USD300,000 (around NTD 9M). The leaked information includes the Company's internal employee's information and the supplier's contact information. Because the Company emphasizes the importance of cybersecurity, the Company's cybersecurity units focus on improving the Company's defense and detection ability and also continuously practice and optimize the Company's reactions and operation. Therefore, the Company immediately isolated the infected areas and rebuild the system to limit the attacks and damages and keep the hackers away from the core systems when the above two attacks were alarmed. The leaked information during these two cybersecurity events have no impact on the Company's finance and operation after evaluation.

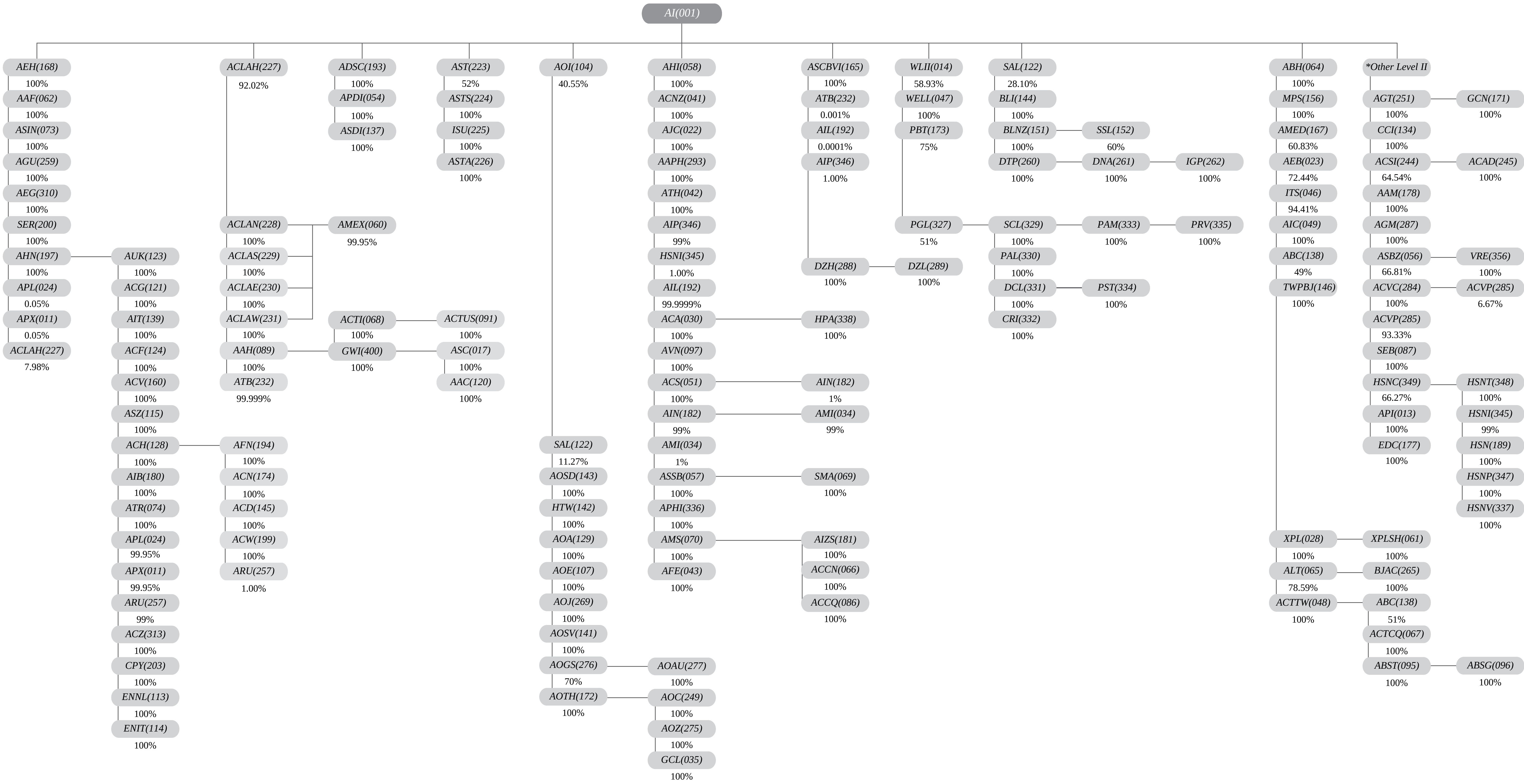
8.7 Other Necessary Supplement: None

Special Notes

1. Information related to the company's affiliates

1.1 Organization Chart of Subsidiaries

As of December 31, 2021



1.2 Acer Subsidiaries

1.2.1 Acer IPO Subsidiaries

AOPEN Inc. (AOPEN, Code 3046)

1. Company Profile

(1) Establishment date : 1996/12/1

(2) Address : 9F, No.88, Sec. 1 Xintai 5th Road, Xizhi, New Taipei City 221, Taiwan, R.O.C

(3) Telephone : +886-2-7710-1195

(4) Web address : www.aopen.com

2. Introduction

AOPEN, a multinational technology company headquartered in Taiwan, it was founded in 1996 and is now an Acer group company. AOPEN provides global certified service and specializes in commercial and industrial services and products, including industrial PC (IPC) products for process control and data acquisition, as well as Artificial Intelligence of Things (AIoT) technologies and digital signage applications. With Acer technology and group power, AOPEN is well-positioned to meet the needs of its partners and customers across quality and support.

AOPEN has extensive experience in global industrial applications market. It serves customers in more than 100 countries and covers various industries. It also cooperates with partners to cultivate business in digital signage, Kiosk, cloud computing, Product design of miniaturized computing host technology and touch technology such as machine vision and security monitoring.

3. Management Team

Chairman : Victor Chien

Directors : Jason Chen, Dale Tsai, Maverick Shih

Independent Directors : Grace Lung, Steve Tso, Andrew Chang

General Manager : Ken Wang

4. The Company's Shareholding

Number of shares: 28,970,000 shares

Percentage of Ownership: 40.55%

5. Company Profile (Consolidated)

As date of 2021/12/31
Unit : NT$K

Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income(Loss)	Income after Tax	EPS(NT$)
714,480	1,697,502	1,049,908	647,594	2,573,408	75,448	136,351	1.82

Acer Cyber Security Inc. (ACSI, 6690.TW)

1. General Information

(1) Date of Incorporation:1990/5/29

(2) Address: 8F., No. 563, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)

(3) Telephone : +886-2-8979-6286

(4) Web address : www.acercsi.com

2. Introduction

Acer Cyber Security, Inc. (ACSI) is a combination of both information technology (IT) and operation technology (OT) service provider. The main business of ACSI covers security management consultancy, Security Operation Center (SOC) deployment and operation service, Information Security Analysis Center (ISAC) deployment and operation service, anti-virus and anti-hacking service, vulnerability scanning, penetration testing, and digital forensic service, etc. In terms of business operation, ACSI develops its own cyber security skills as core capacity to help enterprises' information security management from both IT and OT to cloud applications and daily data and system backup by utilizing self-built 7x24 intelligent SOC to analyze logs monitored by network and equipment for correlational analysis and rules generation. In case the rules are triggered, security alerts and reports will be provided to the clients immediately; therefore, ACSI is able to provide inspection and prevention measures before the incident; detection and surveillance during the incident; and forensic post the incident. The all-in-one integrated cyber security service of ACSI makes it possible for customer's high-valued solid security defense and business continuity.

In August 2021, ACSI established its subsidiary ACSI Cyber Security Academy Inc. to expand its business to the cultivation of cyber security professionals. In addition to providing relevant professional security technology courses, it also includes security management courses for senior executives. Facing the trend of go-to-cloud infrastructure and considering the integrated service of cyber security with the cloud infrastructure, in November 2021, with the approval of board of directors, ACSI further acquired Acer e-Enabling Data Center Inc. to become its 100% owned subsidiary. Through the acquisition, ACSI expands not only business operation and revenue scale but also the complement of technology personnel from both fields for the long-term growth basis of its future cyber security services.

Future/Currently Developing New Products and Services

In response to increasingly diversified information security threats, to further optimize the quality of information security services and meet market needs. ACSI continues to invest resources in the development of emerging information security services and solutions. Currently, ACSI's primary development plans focus on the application of artificial intelligence information security and the development of OT information security solutions. In terms of artificial intelligence application, ACSI relies on the client's practical work data accumulated by long-term service. Through the application of regression analysis, classification and clustering, graph recognition, similarity analysis and other technologies, as well as the professional knowledge input from our technical experts, case and trend study, optimization and feedback of platforms and systems to develop highly practical application requirements and have real-time correlation analysis rules. In terms of OT field, in view of the extremely high requirements for the stability of the infrastructure or production facilities involved, the traditional IT security detection method such as simulated threats could not be directly applied. ACSI intends to continue developing the TestBed platform. By using the actual OT system configuration information provided by the client to construct a highly similar operating environment. So that evaluation of cyber security protection mechanism, vulnerability analysis, and practical solutions can be developed without contacting to the actual operating and producing activities.

3. Management Team

Chairman: Maverick Shih

Director: Ben Wan, Meggy Chen

Independent Director: MingTo Yu, Chie-Shiang Tong, Sen Chou Lo

President: Rex Wu

4. The company's shareholding

Number of shares: 10,971,018 shares
Percentage of Ownership: 63.63%

5. Company Profile

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
169,997	1,012,748	368,602	644,146	852,427	104,232	86,853	5.11

Acer Synergy Tech Corp. (AST, 6751.TW)

1. General Information

(1) Date of Incorporation: 2017/9/13
(2) Address: 7F.-7, No. 8, Ziqiang S. Rd., Zhubei City, Hsinchu County, Taiwan (R.O.C.)
(3) Telephone : +886-3-533-9141
(4) Web address : www.acer-ast.com

2. Introduction

Acer Synergy Tech Corp. ("AST") was founded in 2017 and listed on the Taipei Exchange in December 2020 with the stock symbol: 6751. AST provides customers one-stop-shop for integrated IT services. The extensive experience and knowledge of AST's professional and technical teams, combined with the collaboration with strategic business partner, AST provides customized application systems based on the needs of customers for the IT environment. The AST's service of information system integration includes the installation of computer equipment, network equipment, storage devices, application software and planning, integration, consulting, and management of enterprise infrastructure, as well as long and short term outsourcing services. Customers can rely on AST for the technical knowhow and the aforementioned service, and achieves their goals of operation and strategy related to the information technology plan.

Current service offering are as follows:

A. Enterprise Infrastructure

AST will consider and design the Information Technology ("IT") architecture planning and application architecture planning together to provide customers a comprehensive enterprise infrastructure planning. IT architecture planning includes: Datacenter Planning; Network Planning; Infrastructure Planning; Information Security Surveillance and Consulting; Sustainable Development and IT Backup Planning; Virtual Infrastructure Planning; Shared System Mechanism Planning; and Operation Management Planning.

B. Information System Integration Service

The sevice item includes: Server Infrastructure Optimization; Network Setting and Optimization; Infrastructure Implementation and Optimization; Solution Designation and Implementation; and the Planning, integration, installation, fault diagnosis, troubleshooting, online support and management of enterprise information infrastructure.

C. Information Infrastructure Operation Service

AST will provide support service in various fields after setting up the information infrastructure completely, and the service includes: Server Monitoring; Storage Management and Monitoring; Communication Management for Datacenter; Virtual System Management; Terminal Desktop Management (PC/NB/VDI).

AST can monitor relevant data, aggregate the information system application situation, and provide customers suggessions and optimization of operation management and system capacity planning.

D. IT Project Outsourcing Service

ALT will provide IT Project Outsourcing Service to clients, including : Information Service management Outsourcing and Long and Short Term Project Outsourcing.

Future/Current Development of New Products and Service:

A. The Consulting Service of Enterprise Infrastructure:
-Industry application information system architecture planning in the financial and manufacturing industries.
-Information system integration application in other industries.

B. The Integrated Application between Information Security Products and System Platform.

- The integrated application solutions for information security (network isolation) products.
- The integrated application solution for Software define data center.
- The information platform establishment and integration services.
- The integrated application solutions for IT service management services.

3. Management Team

Chairman: Maverick Shih
Director: Meggy Chen, Jessica Chou
Independent Director: Nancy Hu, Teresa Cheng, Cathy Yen
President: KS Harn

4. The company's shareholding

Number of shares (in thousands): 11,349,112
Percentage of Ownership: 56.74%

5. Company Profile (Consolidated)

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
130,300	668,555	302,390	366,165	1,238,275	38,607	31,816	2.44

Weblink International Inc. (Weblink, 6776.TW)

1. General Information

(1) Date of Incorporation: 1977/12/22
(2) Address: 2-4F., No. 39, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
(3) Telephone : +886-2-2371-6000
(4) Web address : www.weblink.com.tw

2. Introduction

Weblink was founded in 1997, spun off from Acer, Technology Software and Peripherals Department. Weblink was a listed company at emerging stock market in March, 2020, and a listed company at stock exchange market.in March, 2021. Weblink is positioned as a professional channel agent, and fully cooperate with vendors to provide the product distribution, stocking, technical support. Weblink's product portfolio comprises of 150 leading brands including commercial and home information electronics, application software, digital entertainment, system integration, and SMB's solution services etc. In addition to computer and communication related products, Weblink also entered to the beauty-life product business, towards multi-business operations, and to meet the diverse needs of customers.

Weblink acts as the agent for following products:

Category	Main Products
Peripheral products	Screens, Printers and consumables, Motherboards, Graphic cards, Handy drives, Memory cards, Video systems, etc
System and Mobile device products	Desktop PC, NB, Tablets, and Mobile phones, etc.
Software	Office software, ERP, Graphics, font software, etc.
Game Software & Hardware products	Game console, Software and peripheral products
Home Appliance	TV, Refrigerators, Washing machines, Air conditioners, Air purifiers, etc.
System Integration products	Workstations, Servers, Netcom, UPS, Digital signages, etc.

Future/Current Development of New Products and Service:

A. Act as agent for the related artificial intelligence, big data analysis, cloud computing products.
B. Increase the distributorship for or the right of agency of international brands related to computing system.
C. Aggressively expand the right of agency for the software of business management solutions.
D. Combine the resources of physical appliance stores and virtual channels, to develop a new O2O business operation by Online to Offline model and to create a multiple win-win business model for vendors, distributors, dealers and customers.
E. Expand the distributorship for or the right of agency of beauty-life product business.

3. Management Team

Chairman: Jason Chen

Director: Meggy Chen, Dave Lin

Independent Director: Rex Dang, Steven Shaw, JJ Wang, YR Cheng

President: Dave Lin

4. The company's shareholding

Number of shares: 48,073,116 shares
Percentage of Ownership: 58.93%

5. Company Profile (Consolidated)

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
815,814	6,567,242	4,524,216	2,043,026	21,299,939	317,382	360,193	4.28

Acer e-Enabling Service Business Co., Ltd (AEB, 6811 TW)

1. Company Profile

(1) Establishment date : 2012/2/22
(2) Address : 9F., No. 6, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)
(3) Telephone : +886-2-2784-1000
(4) Web address : www.aceraeb.com

2. Introduction

AEB was incorporated in 2012 and aims to be the smart IT partner for enterprises in pursuit of digital transformation. The company is a key-account based, enterprise focus, B2B IT service provider that serves more than 2000 large accounts from government, high-tech, finance institutions, telecommunications, manufacturing, medical and education industries. In the era of Cloud, AEB partners with 200 plus first-tier solution vendor such as Microsoft, IBM, TrendMicro, Google, AWS, Adobe, Autodesk, Commvault, etc., translates global best practices of digital transformation into local use cases, and enables the success of customers' DX journey with professionals of both business and technology domains. AEB offers technology consultant, value-added application/ customization development and integration services, system operation and business continuity services to enterprises. The company is also the first IT vendor in Taiwan to be certified by Microsoft Taiwan for AE Managed Service Provider (MSP), Cloud Solution Provider (CSP) and Licensing Solution Partner (LSP). AEB commits to bring enterprises proven and best-in-class solutions of "C3A+P":

A. Cloud Service: Private Cloud/ Public Cloud/ Hybrid Cloud/ Multi Cloud.
B. AIoT: Smart Retail/ Smart Medical/ Smart Inspection/ AI Factory.
C. Application: Mobile/ Web/ Commercial/ e-Commerce/ Value-added system integration/ Customized Development and Deploy.
D. Appliance: Network and Edge Computing.
E. PaaS (Platform as a Service): Cloud Managed Service Platform/ e-Book Platform/ e-Payment Platform/ e-Ticketing Platform.

Future/Currently Developing New Products (Services):

A. Continue innovation of smart solutions for medical industry, such as hospital health examination platform, medical technology e-forum platform will be available in near future.

B. 4 in 1 smart edge appliance for body temperature measuring, facial recognition, ticket verification and payment system.

C. Cloud-based Data Middle Platform for retail or manufacture industry to carry out precision marketing or predication production.

D. AEB"intelligent Cloud Management Platform (iCMP)"services for private cloud, public cloud, multi cloud and hybrid cloud.

3. Management Team

Chairman : Jason Chen

Directors : Meggy Chen, Maverick Shih

Independent Directors : Honda Chou, Meng-ChaoTseng, David Yeh, Kevin Hou

General Manager : Sandy Chou

4. The company's shareholding

Number of shares: 26,404,000 shares

Percentage of Ownership: 72.44%

5. Company Profile

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
364,490	4,122,858	3,239,644	883,214	6,203,675	362,314	283,798	7.79

Acer Medical Inc. (AMED, 6857, TW)

1. General Information:

(1) Date of Incorporation: 2008/04/25

(2) Address: 7F., No. 86, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221006, Taiwan (R.O.C.)

(3) Telephone : +886-2-2719-5000

(4) Web address : www.acer-medical.com

2. Introduction

Founded in 2008, Acer Healthcare Inc. (AMED) is a subsidiary of the Acer Group that employs communication expertise and focuses on AI and big data analysis technology to work with hospitals and healthcare-related industries in cross-domain collaboration, and designs and develops intelligent medical products for use within the healthcare field and promotion on the international market. AMED is the first company in Taiwan passed GMP and ISO 13485 certification regarding AI-assisted diagnostic software, its product " VeriSee DR", AI-assisted diagnostic software for Diabetic Retinopathy (DR) identification, is even the first TFDA-certified AI-assisted diagnostic software for ophthalmic smart medical materials.

VeriSee DR is an AI diagnostic aid that has been trained using DR diagnosis experience from multiple ophthalmologists and uses AI deep learning techniques to produce diagnosis results similar to that of professional physicians. AMED uses hardware integration to construct an edge computing device that can be used without a network connection. The introduction of VeriSee DR in medical clinics and health examination centers with ophthalmoscopes allows initial screening to be conducted without an ophthalmologist. Analysis results are used to inform patients whether or not they require a referral to an ophthalmology department for a more detailed examination, in order to avoid missing opportunities for treatment. AMED has signed cooperation agreements with various medical centers, research institutions, international pharmaceutical companies and international medical device manufacturers for expanding the application and commercialization of VeriSee DR. In terms of overseas promotion, VeriSee DR has also obtained medical device licenses in Thailand, Indonesia and the Philippines, and has obtained sales qualifications in Vietnam and India.

AMED, with its outstanding achievements in the research and development and promotion of artificial intelligence medical device, was officially listed on the Pioneer Stock Board (PSB) (code: 6857) in October 2010, and transferred to the emerging stock market in March 2011.

The research projects AMED develops now:

A. Cardiovascular risk detection:

AMED and partners have developed an algorithm for arrhythmia. The algorithm can be used in conjunction with an Acer Leap Ware wearable device, so that patients may monitor their own day-to-day health. Physiological signals are continuously recorded using the Acer wearable device. Patients can use the health management platform to view their heart rate, graphs for heart rate distribution and waveform, and other AI arrhythmia analysis results. Results on the health management platform can be used to inform patients if any arrhythmia or cardiovascular-related risk signals are present.

B. Abdominal ultrasound —organ and lesion recognition technology

AMED and partners have developed ultrasound-imaging-assisted diagnosis technology. Combining AI technology with ultrasound diagnostic equipment, physicians are able to make timely interpretations of abdominal ultrasound images and quickly mark abdominal organs and possible lesions on the detection screen following an abdominal scan. Photographs of suspected lesions can also be captured, providing physicians with the ability to make further diagnoses and the means to better understand the condition of various abdominal organs.

C. Echocardiography — automatic left ventricular ejection fraction measurement

Acer Healthcare Inc. and partners have developed the technology of automatic left ventricular ejection fraction measurement. This technology is using artificial intelligence technology to improve the efficiency and accuracy by identifying the chamber views, image segmentation and modified Simpson's method. And the technology has been successfully developed on mobile devices in real-time measurement of cardiac blood volume and the ventricular ejection fraction which can also used on wireless handheld ultrasound scanning devices.

3. Management Team

Chairman: RC Chang

Director: Jason Chen, Stan Shih

Independent Director: Mon-Han Wu, Shou-Jen Kuo, Hsu-Sung Kuo, Wen-Yueh Chan

President: YH Hsu

4. The company's shareholding

Number of shares: 7,299,000

Percentage of Ownership: 60.83%

5. Company Profile

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
120,000	136,734	21,946	114,788	9,627	(20,532)	(20,446)	(2.64)

Highpoint Service Network Corporation (HSNC, 6884, TW)

1. General Information:

(1) Date of Incorporation: 2018/9/14

(2) Address: 7F.-5, No. 369, Fuxing N. Rd., Zhongshan Dist., Taipei City 104100, Taiwan (R.O.C.)

(3) Telephone : +886-2-2719-5000

2. Introduction

Highpoint Service Network Corporation (HSNC) is a company providing computer, computer accessories, server, workstation, consumer electronics, network equipment, and server room equipment malfunction detect, repair and maintenance service for multiple brands.

Besides headquarter and several service centers in Taiwan, HSNC has also set up subsidiaries in Malaysia, Thailand, Philippines, Indonesia, and Vietnam to provide service around Taiwan and South East Asia region.

HSNC not only services enterprise clients but also general consumers. HSNC can provide customization service for equipment malfunction detect, repair and maintenance depending on enterprise clients' need. To service consumers, HSNC has established several service centers around Taiwan and South East Asia region. Consumers may obtain professional malfunction detect, repair service in HSNC service centers during normal business hours. In addition, HSNC has successfully built business relationship with some well-known electronic product and accessories brand companies as their authorized malfunction detect, repair and maintenance service provider. HSNC would keep expand service scope and enhance service quality. Currently, HANC has been registering the public issuance of its shares and is preparing to file application for its shares to be listed on the emerging stock market.

Currently, HSNC's main business scope includes:

A. Multi-brands malfunction detect and repair service center:

HSNC has established several multi-brands repair service centers in Taiwan and South East Asia region. By those service centers, HSNC can cooperate with well-known electronic product and accessories brand companies, provide them satisfied and high-quality service, assist them to build service base rapidly in specific areas, and play a professional malfunction detect and repair service consultant role for them. Meanwhile, general consumers also have access to HSNC service center for professional repair service.

B. Global Contact Center:

In order to fulfill clients' service demand globally, HSNC has established Global Contact Center in Philippines due to the language advantage there, aiming global Business Process Outsourcing (BPO) market. By doing so, HSNC can provide brand clients with more valuable service and expand its service area to other areas.

C. Enterprise malfunction detect, repair and maintenance service:

Currently, HSNC's business is focus on Taiwan and South East Asia region, providing hardware and software on-site repair and maintenance service and solutions to enterprise clients. One of the major competition advantage of HSNC is its capability of providing service in multiple countries, therefore HSNC would be able to cover multinational enterprise clients. HSNC is successfully being clients' primary cooperation choice because of its consistent high-quality service and the capacity of creating extra value.

3. Management Team

Chairman: Andrew Hou

Directors: Tiffany Huang, Meggy Chen

Independent Directors: SYUAN WANG, YAO-DONG WANG, SHOU-JHEN CHENG, SHAO-GUO HUANG

CEO: Jacky Lin

4. The company's shareholding

Number of shares: 10,742,881 shares

Percentage of Ownership: 66.27%

5. Company Profile (Consolidated)

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
162,100	391,385	220,166	171,219	583,007	22,028	13,348	0.82

1.2.2 Acer IPO Subsidiaries in plans

Altos Computing Inc. (ALT)

1. General Information:

(1) Date of Incorporation: 2016/9/20

(2) Address : 6F., No. 99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.)

(3) Telephone : +886-2-2696-0289

(4) Web address : www.altoscomputing.com

2. Introduction

The business model of Altos Computing Inc. (ALT) is to provide solution of High-Performance Computing system (including artificial intelligent computing) and cloud computing. ALT also provides customized system and solutions to customers for their needs on meteorology simulation, fluid dynamics calculation, deep learning calculation, computer learning calculation, edge computing, cloud computing. The main products and service scope of ALT are as following :

A. High-Performance Computing solution:

ALT provides High-Performance Computing system with high clock speed and multi-core processor, large capacity memory, and broadband internet. ALT High-Performance Computing system has the ability to provide remote system management, preventive error detection management, server group management, group power management strategy, automatic prompt alert and multi-tunnel notification service to satisfy the demand of high-performance computing from government institution, universities, and enterprise clients for fundamental science research and development of advanced technology.

ALT also provides customized system for the requirement of artificial intelligence computing system. The customized system may provide optimal management on existing accelerator through unique load-balancing algorithm based on the demand of deep learning and computer learning and would effectively enhance preciseness of artificial intelligence computing system and calculation efficiency.

B. Cloud computing solution

ALT supplies various systems architecture integrated with servers, workstations, storage system, Thin Client, or virtualization technology as application solutions to help education institution and enterprise clients. For example, Virtual Desktop Infrastructure (VDI) can simplify system management and operation, and enhance flexibility to reduce the cost incurred from computer terminal control and improve system liability. And Intelligent Desktop Virtualization (IDV) can satisfy clients' demand on computer terminal's centralization management, flexibility, computing efficiency optimization but keep uniformity of system management and operation simultaneously by utilizing virtualization technology in computer terminal to enhance computing performance.

C. Computing system products

ALT provides various series of servers and workstations to clients, and develops AI Development Platform (ADP), Thin Clients, Uninterruptible Power Supply system.

Future/Current Development of New Products and Service:

A. Intelligent computing application solution:

Virtual Desktop Infrastructure and Intelligent Desktop Virtualization platform service solution.

B. New generation of computing system:

New generation of high density server, rack server, tower server, workstation, edge computing system, storage system, Thin Client, Uninterruptible Power Supply system.

3. Management Team

Chairman : Andrew Hou

Directors : Jason Chen, Jerry Kao, Meggy Chen, Jeff J. Lee

Independent Directors : Dick Tan, Vincent Chi

General Manager : Jackie Lee

4. The company's shareholding

Number of shares: 6,580,717 shares

Percentage of Ownership: 78.59%

5. Company Profile (Consolidated)

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
83,730	374,698	294,342	80,356	434,517	□20,901□	□11,515□	(1.38)

Acer ITS Incorporated (ITS)

1. Company Profile

(1) Establishment date : 2017/9/21

(2) Address: 23F., No. 94, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.)

(3) Telephone : +886-2-2696-3690

(4) Web address : www.acerits.com

2. Introduction

Acer ITS, an Acer subsidiary, specializes in solutions which incorporate smart transportation and electronic payment capabilities to improve people's quality of life. Acer ITS extends the application of multi-payment technology to various fields of life, whether it is multi-payment for public transportation, taxi or rehabilitation bus, payment for Roadside parking at smart parking meters. These technical services provided by Acer ITS are ubiquitous.

As a pioneer of smart city solutions, Acer ITS pays more attention to the executable application. Among them, the market share of the "smart Roadside parking management system" has reached as high as 90%. There are commercial-operated areas in Tainan

City, Taipei City, New Taipei City, Miaoli Zhunan, Kaohsiung Software Technology Park. In recent years, in line with the development trend of EV, some of the new generations of smart parking meters have been integrated into EV chargers, adhering to the original intention of Acer Group for the sustainable development of ESG.

With more than 20 years of experience in payment technology research and development, we have outlined a blueprint for various applications for smart cities. With the "PAKU multi-payment platform", the entire lifestyle is connected. The application fields of the solution range from public transportation to private vehicles, and then expand to various life fields:

A. Bus/Exhibition: Smart Multiple Payment Solutions.
B. On-street parking: Smart Roadside Parking EV Charging Solution.
C. Off-street parking: Smart Parking Solution.
D. Paratransit system/stores: Smart Micro Multiple Payment Solution.
E. More life fields (including shared bicycles/libraries, etc.): Smart Micro e-ticketing module.

3. Management Team

Chairman : Jason Chen

Directors : Maverick Shih, Lydia Wu, Meggy Chen, Andy Lin

Supervisor : Dick Tan, Vincent Chi

General Manager: Kenny Yu

4. The company's shareholding

Number of shares: 34,307,799 shares

Percentage of Ownership: 94.41%

5. Company Profile

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
363,385	412,137	300,024	112,113	227,100	(48,264)	(48,684)	(1.34)

Acer Gaming Inc. (AGM)

1. General Information:

(1) Date of Incorporation: 2020/07/31
(2) Address: 7F.-5, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City 105611, Taiwan (R.O.C.)
(3) Telephone : +886-2-2696-0068
(4) Web address : www.acergaming.com

2. Introduction

Founded in 2020, Acer Gaming Inc. (AGM) is the eSports product brand extension of Acer Inc. and aims to create a complete online and offline life experience for game players by providing game entertainment channel agency sales and other services. For expanding game market, AGM has been designated as a distributor of PlayStation® products (including PlayStation®5, peripheral products and PlayStation® game software) in Taiwan by Sony Interactive Entertainment Taiwan Limited (SIET). The business AGM develops and promotes is providing eSports social platform services and e-sports products regarding Acer group.

3. Management Team

Chairman : Jerry Kao

Directors : James Hsu, Meggy Chen

Supervisor : Vincent Chi

President: James Hsu

4. The company's shareholding

Number of shares: 1,000,000

Percentage of Ownership: 100%

5. Company Profile

As date of 2021/12/31
Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
100,000	234,284	100,646	133,638	1,240,397	41,014	32,391	9.97

Protrade Group

1. General Information

(1) Date of Incorporation: 2001/8/7

(2) Address: 8F., No. 59, Ln. 77, Xing'ai Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

(3) Telephone : +886-2-2795-5338

(4) Web address : www.protrade.org

2. Introduction

Protrade is a professional trading and distribution company of rubber and plastic materials, with complete logistics solutions such as product procurement, distribution, storage and packaging, providing customers with perfect and reliable services.

Protrade was founded in 1985 in Redmond, Washington State, USA, and established its operating headquarters in Taipei in 2000. The main product categories include synthetic rubber, natural rubber, plastic, hydrocarbon resins, fillers, processing oils, chemicals, etc. The business activities cover more than 40 countries on five continents. In addition to the United States and Taiwan, it has offices in Shanghai - China, Mumbai – India and Ho Chi Minh City – Vietnam.

3. Management Team

Chairman: LIN, CHIA CHANG

Director: CHEN, CHUN SHEN CHEN, CHENG TA

Supervisor: WANG, SHU-CHIN

President: LIN, CHIA CHANG

4. The company's shareholding

Acer's subsidiary, Weblink International, owns 51% majority shares of Protrade Group.

5. Company Profile (Consolidated)

As date of 2021/12/31

Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
139,350	1,577,110	1,390,253	186,857	5,299,962	166,250	143,530	28.58

Acer Gadget Inc.(AGT)

1. General Information

(1) Date of Incorporation: 1986/03/27

(2) Address: 7F.-5, NO. 369, FUXING N. RD., SONGSHAN DIST., TAIPEI CITY 105001, TAIWAN (R.O.C.)

(3) Telephone : +886-2-2696-0296

(4) Web address : www.acergadget.com

2. Introduction

Acer Gadget Inc. (Acer Gadget) is a subsidiary of Acer Inc., a top global information and communication technology enterprise. Acer Gadget is headquartered in Taiwan and is dedicated to innovative lifestyle gadgets with operations across five continents around the globe. The mission of Acer Gadget is to break the barriers between people and technology and foster smart lifestyles with innovative technologies. Acer Gadget aims to provide different products, services and solutions across a variety of industries to enable digital transformation and improve customer lifestyles.

Product Lineup

- Acer Apparel

  Acer Apparel originated from the Acer Group and is now part of the Acer Gadget's business. It has distributed millions of computer bags around the world every year for over 20 years. Acer Apparel designs, procures, distributes and markets soft products and luggage such as bags, backpacks, protective covers, mouse pads, and more. In recent years, existing resources have been integrated to further expand business to clothing and related wearable accessories, providing a more diversified product portfolio for an existing and newly expanded customer base.

- Xplova

  Xplova is Acer Gadget's outdoor and sports brand.. Starting from the needs of sports and outdoor enthusiasts, Xplova is challenging customer to push their physical limits, whether indoors, outdoors, running, or cycling. Xplova products are now available worldwide.

  Through a marriage of software and hardware, harnessing fitness data, and recreating realistic virtual environments, we are helping consumers have fun and develop fitness habits through technology. Xplova is committed to fostering a social network for sports enthusiasts to achieve healthy living.

- ePay Wearable Product Series

  The Acer Gadget Wearable Products Series is committed to creating products for a multitude of customer lifestyles. Among them, the ePay wearable product series is designed for contactless payment to conveniently change payment methods as we go about our lives. The ePay Wearable Series is a series of wearable accessories developed in cooperation with several electronic payment companies in Taiwan. With exclusively developed 3D sensor payment technology, users can travel between cities with contactless payment.

- Digital Solutions: Mobile App and Ecommerce Website Customization

  Acer Gadget provides customized application and ecommerce website building services to clients from all walks of life, helping clients create and optimize product portfolios and drive success stories.

3. Management Team

Chairman: Jason Chen

Vice Chairman: Jerry Kao

Director : Meggy Chen

Supervisor: Sophia Chen

President: Allen Jong

4. The company's shareholding

Number of shares: 12,539,736

Percentage of Ownership: 100%

5. Company Profile (Consolidated)

As date of 2021/12/31

Unit : NT$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share (in NTD)
125,397	889,224	472,493	416,731	893,803	654	8,087	0.64

1.3 Information of Acer Subsidiaries

As of December 31, 2021

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
0	001	AI	Acer Incorporated	1976/8/1	Taiwan	NTD	30,478,538	1.00	Sale of brand-name IT products
1	011	APX	Asplex Sp. z o.o.	2009/5/15	Poland	PLN	100	6.86	Repair and maintenance of brand-name IT products
2	013	API	AcerPure Inc.	2016/10/24	Taiwan	NTD	82,219	1.00	Intelligent solutions of air quality
3	014	WLII	Weblink International Inc.	1977/12/22	Taiwan	NTD	815,814	1.00	Sale of computers and communication products
4	017	ASC	Acer Service Corporation	2005/9/12	U.S.A.	USD	0	27.69	Repair and maintenance of IT products
5	022	AJC	Acer Japan Corp.	1988/2/9	Japan	JPY	200,000	0.24	Sale of brand-name IT products
6	023	AEB	Acer e-Enabling Service Business Inc.	2012/2/22	Taiwan	NTD	364,490	1.00	Providing solutions of cloud and digitalization
7	024	APL	Acer Poland sp. z o.o.	2010/11/25	Poland	PLN	100	6.86	Marketing of brand-name IT products
8	028	XPL	Xplova Inc.	2008/9/5	Taiwan	NTD	23,098	1.00	Design, development and sale of smart bicycle speedometer
9	030	ACA	Acer Computer Australia Pty. Limited	1989/9/21	Australia	AUD	67,296	20.11	Sale of brand-name IT products
10	034	AMI	PT. Acer Manufacturing Indonesia	2012/1/12	Indonesia	IDR	2,300,000	0.00	Assembly of brand-name IT products
11	035	GCL	Great Connection LTD.	1993/6/1	H.K.	HKD	300	3.55	Sale of computer, apparatus system, and peripheral equipment
12	041	ACNZ	Acer Computer New Zealand Limited	1993/8/18	New Zealand	NZD	12,179	18.90	Sale of brand-name IT products
13	042	ATH	Acer Computer Co., Ltd.	1993/10/29	Thailand	THB	215,078	0.82	Sale of brand-name IT products
14	043	AFE	Acer Computer (Far East) Limited	1986/9/30	H.K.	HKD	203,420	3.55	Sale of brand-name IT products
15	046	ITS	Acer ITS Inc.	2017/9/21	Taiwan	NTD	363,385	1.00	Programs and services of intelligent transportation and electronic ticketing
16	047	WELL	Wellife Inc.	2015/12/22	Taiwan	NTD	10,000	1.00	Sales of 3C products and home appliances
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	2016/6/6	Taiwan	NTD	29,000	1.00	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware
18	049	AIC	Acer AI Cloud Inc.	2014/10/1	Taiwan	NTD	29,471	1.00	Providing cloud technology and solutions
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	1990/11/29	Singapore	SGD	3,985	20.53	Sale of brand-name IT products
20	054	APDI	Acer Property Development Inc.	1989/7/27	Taiwan	NTD	29,577	1.00	Solar optronics business
21	056	ASBZ	StarVR Corporation	2016/10/3	Taiwan	NTD	6,602	1.00	Solutions provider of B2B virtual reality
22	057	ASSB	Acer Sales and Services SDN BHD	1990/9/18	Malaysia	MYR	30,969	6.65	Sale of brand-name IT products

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
23	058	AHI	Acer Holdings International, Incorporated	1991/4/8	B.V.I.	USD	191,155	27.69	Investment and holding activity
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	1998/6/1	Mexico	MXN	1,374,595	1.35	Sale of brand-name IT products
25	061	XPLSH	Xplova (Shanghai) Ltd.	2016/5/17	China	RMB	2,000	4.36	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports
26	062	AAF	Acer Africa (Proprietary) Limited	1994/11/29	South Africa	ZAR	368	1.74	Marketing, repair and maintenance of brand-name IT products
27	064	ABH	Acer BeingWare Holding Inc.	2016/5/17	Taiwan	NTD	1,303,085	1.00	Investment and holding activity
28	065	ALT	Altos Computing Inc.	2016/9/20	Taiwan	NTD	83,730	1.00	High performance computing, cloud computing, software-defined storage, and IT solution
29	066	ACCN	Acer Computer (Shanghai) Ltd.	2005/10/31	China	RMB	16,168	4.36	Sale of brand-name IT products
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	2015/7/21	China	RMB	31,325	4.36	Design, development, sales, and advisory of computer software and hardware
31	068	ACTI	Acer Cloud Technology Inc.	2012/1/12	U.S.A.	USD	6,155	27.69	Investment and holding activity
32	069	SMA	Servex (Malaysia) Sdn Bhd	1991/6/25	Malaysia	MYR	4,748	6.65	Sale of computers and communication products
33	070	AMS	Acer Market Services Limited	1992/12/8	H.K.	HKD	1,218,717	3.55	Investment and holding activity
34	073	ASIN	Acer Sales International SA	2015/5/8	Switzerland	USD	105	27.69	Sale of brand-name IT products
35	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	2013/3/20	Turkey	TRY	100	2.08	Marketing of brand-name IT products
36	086	ACCQ	Acer (Chongqing) Ltd.	2010/11/9	China	RMB	991,050	4.36	Sale of brand-name IT products
37	087	SEB	Sertec (Beijing) Ltd.	2017/4/14	China	RMB	1,000	4.36	Repair and maintenance of IT products
38	089	AAH	Acer American Holdings Corp.	2007/10/15	U.S.A.	USD	0	27.69	Investment and holding activity
39	091	ACTUS	Acer Cloud Technology (US), Inc.	2016/8/15	U.S.A.	USD	2	27.69	Cloud technology service and research, development, and design of IoT platform
40	095	ABST	Acer Being Signage Inc.	2017/5/17	Taiwan	NTD	25,000	1.00	Technical service and research of aBeing cloud digital content management
41	096	ABSG	Acer Being Signage GmbH	2016/12/15	Germany	EUR	6,029	31.48	Technical service and research of aBeing cloud digital content management
42	097	AVN	Acer Vietnam Co., Ltd.	2000/1/10	Vietnam	VND	76,283,170	0.00	Sale of brand-name IT products

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
43	104	AOI	AOPEN Inc.	1996/12/1	Taiwan	NTD	714,480	1.00	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products
44	107	AOE	AOPEN Computer B.V.	1997/12/1	Netherlands	EUR	18	31.48	Sale of computer, apparatus system, and peripheral equipment
45	113	ENNL	Enfinitec B.V.	2021/1/25	Netherlands	EUR	0	31.48	Repair and management of IT products
46	114	ENIT	Enfinitec Italy S.R.L.	2021/7/16	Italy	EUR	10	31.48	Repair and management of IT products
47	115	ASZ	Acer Computer (Switzerland) AG	1997/12/1	Switzerland	CHF	50	30.33	Sale of brand-name IT products
48	120	AAC	Acer America Corporation	1984/5/4	U.S.A.	USD	42,292	27.69	Sale of brand-name IT products
49	121	ACG	ACER Computer GmbH	1987/5/17	Germany	EUR	14,561	31.48	Sale of brand-name IT products
50	122	SAL	Bluechip Infotech Pty Ltd	1996/12/13	Australia	AUD	7,383	20.11	Sale of computer peripherals and software system
51	123	AUK	Acer U.K. Limited	1988/5/9	U.K.	GBP	9,072	37.47	Sale of brand-name IT products
52	124	ACF	Acer Computer France S.A.S.U.	1987/9/3	France	EUR	13,609	31.48	Sale of brand-name IT products
53	128	ACH	Acer Computer B.V.	1988/5/9	Netherlands	EUR	2,612	31.48	Sale of brand-name IT products
54	129	AOA	AOPEN America Inc.	1997/12/1	U.S.A.	USD	15,000	27.69	Sale of computer, apparatus system, and peripheral equipment
55	134	CCI	Cross Century Investment Limited	1997/11/11	Taiwan	NTD	28,000	1.00	Investment and holding activity
56	137	ASDI	Aspire Service & Development Inc.	1997/10/13	Taiwan	NTD	50,000	1.00	Hotel management service
57	138	ABC	Acer Being Communication Inc.	2014/12/16	Taiwan	NTD	25,000	1.00	Software design service
58	139	AIT	Acer Italy S.R.L.	1996/2/19	Italy	EUR	802	31.48	Sale of brand-name IT products
59	141	AOSV	Aopen SmartVision Incorporated	2002/2/1	Taiwan	NTD	40,000	1.00	Sale of computer, apparatus system, and peripheral equipment
60	142	HTW	Heartware Alliance And Intergation Limited	2015/8/1	H.K.	HKD	100	3.55	Software development and agency
61	143	AOSD	AOPEN SmartView Incorporated	2018/10/9	Taiwan	NTD	0	1.00	Sale of display device
62	144	BLI	Bluechip Infotech Incorporated	2020/5/11	Taiwan	NTD	1,000	1.00	Sale of computer peripherals and software system
63	145	ACD	Acer Denmark A/S	1991/10/1	Denmark	DKK	1,000	4.23	Marketing of brand-name IT products

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
64	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	1997/12/3	China	RMB	24,659	4.36	Sale of commercial and cloud application software and technical and services
65	151	BLNZ	Bluechip Infotech (NZ) Limited	2021/7/26	New Zealand	NZD	3,600	18.90	Investment and holding activity
66	152	SSL	Soft Solutions Limited	2021/1/12	New Zealand	NZD	-	18.90	Sales of peripheral computer software
67	156	MPS	MPS Energy Inc.	2015/7/31	Taiwan	NTD	72,487	1.00	Research, development, and sale of batteries
68	160	ACV	Acer Austria GmbH	1992/7/30	Austria	EUR	218	31.48	Marketing of brand-name IT products
69	165	ASCBVI	Acer SoftCapital Incorporated	1997/12/2	B.V.I.	USD	118,856	27.69	Investment and holding activity
70	167	AMED	Acer Healthcare Inc.	2018/4/25	Taiwan	NTD	120,000	1.00	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange
71	168	AEH	Acer European Holdings SA	1996/12/28	Switzerland	EUR	131	31.48	Investment and holding activity
72	171	GCN	GadgeTek (Shanghai) Limited	2019/7/3	China	RMB	3,529	4.36	Sale of peripheral 3C products
73	172	AOTH	AOPEN Technology Inc.	1999/5/1	B.V.I.	USD	50	27.69	Sale of computer, apparatus system, and peripheral equipment
74	173	PBT	Pecer Bio-medical Technology Incorporated	2020/9/17	Taiwan	NTD	1,000	1.00	Sale of health supplements and biotech service
75	174	ACN	Acer Computer Norway AS	1994/11/22	Norway	NOK	6,531	3.14	Marketing, repair and maintenance of brand-name IT products
76	177	EDC	Acer e-Enabling Data Center Incorporated	2017/12/31	Taiwan	NTD	444,624	1.00	Data center and cloud services
77	178	AAM	Acer Asset Management Incorporated	2021/8/31	Taiwan	NTD	1,077,189	1.00	Property held and related management business
78	180	AIB	Acer Computer Iberica, S.A.	1995/3/16	Spain	EUR	855	31.48	Sale of brand-name IT products
79	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	1999/4/26	China	RMB	12,416	4.36	Sale of brand-name IT products
80	182	AIN	PT. Acer Indonesia	1999/6/2	Indonesia	IDR	2,077,485	0.00	Sale of brand-name IT products
81	189	HSN	HighPoint Service Network Sdn Bhd	1999/7/16	Malaysia	MYR	500	6.65	Repair and maintenance of IT products
82	192	AIL	Acer India Private Limited	1999/9/9	India	INR	78,804	0.37	Sale of brand-name IT products
83	193	ADSC	Acer Digital Service Co.	1999/10/5	Taiwan	NTD	662,149	1.00	Investment and holding activity
84	194	AFN	Acer Finland Oy	1996/10/25	Finland	EUR	8	31.48	Marketing, repair and maintenance of brand-name IT products
85	197	AHN	Acer Europe B. V.	1996/11/15	Netherlands	EUR	3,321	31.48	Investment and holding activity

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
86	199	ACW	Acer Sweden AB	1996/5/21	Sweden	SEK	100	3.06	Marketing of brand-name IT products
87	200	SER	Sertec 360 SA	2014/8/26	Switzerland	EUR	82	31.48	Repair and maintenance of IT products
88	203	CPY	CPYou B.V.	2020/2/20	Netherlands	EUR	1	31.48	Sale of brand-name IT products
89	223	AST	Acer Synergy Tech Corp.	2017/9/13	Taiwan	NTD	130,300	1.00	System integration service
90	224	ASTS	Shanghai AST Technology Service Ltd.	2018/6/15	China	RMB	4,400	4.36	System integration service
91	225	ISU	ISU Service Corp.	2019/11/20	Taiwan	NTD	20,000	1.00	Human resources and project service
92	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	2021/6/7	U.S.A.	USD	500	27.69	System integration service
93	227	ACLAH	Boardwalk Capital Holdings Limited	2000/6/26	B.V.I.	USD	1,373,071	27.69	Investment and holding activity
94	228	ACLAN	ACLA Holdings North, LLC	1999/11/10	U.S.A.	USD	-	27.69	Investment and holding activity
95	229	ACLAS	ACLA Holding South, LLC	1999/11/10	U.S.A.	USD	-	27.69	Investment and holding activity
96	230	ACLAE	ACLA Holding East, LLC	1999/11/10	U.S.A.	USD	-	27.69	Investment and holding activity
97	231	ACLAW	ACLA Holding West, LLC	1999/11/10	U.S.A.	USD	-	27.69	Investment and holding activity
98	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	2009/8/6	Brazil	BRL	249,467	4.97	Sale of brand-name IT products
99	244	ACSI	Acer Cyber Security Incorporated	2000/5/29	Taiwan	NTD	169,997	1.00	Cyber security service
100	245	ACAD	ACSI Cyber Security Academy Inc.	2021/8/12	Taiwan	NTD	10,000	1.00	Cyber security training
101	249	AOC	AOPEN International (ShangHai) Co., Ltd	2000/7/1	China	RMB	39,244	4.36	Sale of computer,apparatus system, and peripheral equipment
102	251	AGT	Acer Gadget Inc.	1986/3/27	Taiwan	NTD	125,397	1.00	Research, design and sale of smart handheld products and peripheral 3C products
103	257	ARU	Acer Marketing Services LLC	2009/7/1	Russia	RUB	20,000	0.37	Marketing of brand-name IT products
104	259	AGU	AGP Insurance (Guernsey) Limited	2009/10/1	Guernsey	EUR	5,000	31.48	Insurance captive
105	260	DTP	Dingo Tech Pty Ltd	2021/2/17	Australia	AUD	0	20.11	Investment and holding activity
106	261	DNA	Digital Networks Australia Pty Ltd	2020/3/28	Australia	AUD	0	20.11	Sales of peripheral computer software
107	262	IGP	Ingeniq Pty Ltd	2014/10/21	Australia	AUD	0	20.11	Sales of peripheral computer software
108	265	BJAC	Beijing Altos Computing Ltd.	2018/3/1	China	RMB	4,400	4.36	High performance computing, cloud computing, software-defined storage, and IT solution
109	269	AOJ	AOPEN Japan Inc.	2000/10/1	Japan	JPY	10,000	0.24	Sale of computer, apparatus system, and peripheral equipment
110	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	2001/4/1	China	RMB	104,954	4.36	Manufacture and sale of computer parts and components

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
111	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	2013/11/1	Australia	AUD	150	20.11	Sale of computer, apparatus system, and peripheral equipment
112	277	AOAU	AOPEN Australia & New Zealand Pty Ltd	2013/11/1	Australia	AUD	0	20.11	Sale of computer, apparatus system, and peripheral equipment
113	284	ACVC	Acer China Venture Corp	2017/4/19	China	RMB	5,000	4.36	Fund company management
114	285	ACVP	Acer China Venture Partnership	2017/8/9	China	RMB	15,000	4.36	Investment fund
115	287	AGM	Acer Gaming Inc.	2020/7/31	Taiwan	NTD	100,000	1.00	Agency of video game console and peripherals
116	288	DZH	DropZone Holding Limited	2001/7/9	Cayman Islands	USD	100	27.69	Investment and holding activity
117	289	DZL	DropZone (Hong Kong) Limited	2019/12/9	H.K.	USD	30	27.69	Operation and maintenance of eSports platform
118	293	AAPH	Acer Asia Pacific Sdn Bhd	2007/11/14	Malaysia	USD	1,000	27.69	Sale of brand-name IT products
119	310	AEG	Acer Europe SA	2002/4/1	Switzerland	EUR	1,164	31.48	Sale of brand-name IT products
120	313	ACZ	Acer Czech Republic s.r.o.	2002/4/8	Czech	CZK	2,000	1.27	Marketing, repair and maintenance of brand-name IT products
121	327	PGL	Protrade Global Limited	2021/6/1	Cayman Islands	USD	5,000	27.69	Investment and holding activity
122	329	SCL	Snoqualmie Company Ltd	2021/6/1	B.V.I.	USD	1,000	27.69	Investment and holding activity
123	330	PAL	Protrade Asia Limited	2021/6/1	B.V.I.	USD	2,600	27.69	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
124	331	DCL	Dakota Co., Ltd.	2020/6/1	SAMOA	USD	650	27.69	Investment and holding activity
125	332	CRI	Cascadia Resources Inc.	2021/6/1	U.S.A.	USD	0	27.69	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
126	333	PAM	Portrade Applied Materials Corp.	2021/6/1	Taiwan	NTD	30,000	1.00	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
127	334	PST	Protrade Shanghai Trading Co., Ltd.	2021/6/1	China	RMB	5,068	4.36	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
128	335	PRV	Protrade Resources Vietnam Company Limited	2021/6/1	Vietnam	VND	2,320,000	0.00	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
129	336	APHI	Acer Philippines, Inc.	2003/1/1	Philippines	PHP	13,510	0.54	Sale of brand-name IT products
130	337	HSNV	HigHPoint Service Network Vietnam Company Limited	2020/12/14	Vietnam	VND	3,439,500	0.00	Repair and maintenance of brand-name IT products

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
131	338	HPA	HigHPoint Australia Pty Ltd	2003/2/1	Australia	AUD	500	20.11	Repair and maintenance of brand-name IT products
132	345	HSNI	PT HSN Tech Indonesia	2018/11/15	Indonesia	IDR	14,900,000	0.00	Repair and maintenance of IT products
133	346	AIP	Acer Infotech Pvt Ltd	2018/6/21	India	INR	-	0.37	Sale of brand-name IT products
134	347	HSNP	HigHPoint Services Network Philippines, Inc.	2018/8/28	Philippines	PHP	10,600	0.54	Repair and maintenance of IT products
135	348	HSNT	HigHPoint Service Network (Thailand) Co., Ltd	2018/11/7	Thailand	THB	2,450	0.82	Repair and maintenance of IT products
136	349	HSNC	HigHPoint Service Network Corporation	2018/9/14	Taiwan	NTD	162,100	1.00	Repair and maintenance of IT products
137	356	VRE	StarVR Europe SA	2018/4/10	Switzerland	EUR	84	31.48	Research of solutions to B2B virtual reality
138	400	GWI	Gateway, Inc.	1991/1/14	U.S.A.	USD	0	27.69	Investment and holding activity

1.4 A company assumed to be controlled, subordinated or there would be same shareholders with the parent company: None

1.5 The business and operating scope of the Company's affiliates:

Acer primarily engages in marketing and sale of brand-name IT products, as well as providing electronic information services to its clients. The Company aims at the integrated applications of Internet of Things (IoT) and service-oriented technology in the future to provide more products and integrated applications combining software, hardware and service for consumer and commercial markets.

1.6 Operational Highlights of Acer's Subsidiaries

As of December 31, 2021

Unit: NT$ thousands, except EPS (NT$)

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
0	001	AI	Acer Incorporated	30,478,538	162,996,837	99,320,121	63,676,716	246,828,456	8,504,858	10,897,427	3.63
1	011	APX	Asplex Sp. z o.o.	686	916,546	442,949	473,597	3,415,143	37,593	18,942	9,470.76
2	013	API	AcerPure Inc.	82,219	165,255	80,478	84,778	142,371	1,548	1,046	0.13
3	014	WLII	Weblink International Inc.	815,814	5,275,549	3,408,059	1,867,489	17,974,201	245,241	340,919	4.28
4	017	ASC	Acer Service Corporation	0	594,633	691,527	(96,894)	1,070,679	26,128	24,110	24,110.18
5	022	AJC	Acer Japan Corp.	48,123	782,746	1,395,590	(612,844)	3,438,574	48,985	22,071	965.41
6	023	AEB	Acer e-Enabling Service Business Inc.	364,490	4,122,858	3,239,644	883,214	6,203,675	362,314	283,798	7.79
7	024	APL	Acer Poland sp. z o.o.	686	43,292	14,649	28,643	70,944	3,378	2,736	1,368.21
8	028	XPL	Xplova Inc.	23,098	13,973	1,557	12,417	993	693	194	0.08
9	030	ACA	Acer Computer Australia Pty. Limited	1,353,406	3,860,175	3,622,735	237,440	7,211,546	131,474	(112,339)	(1.67)
10	034	AMI	PT. Acer Manufacturing Indonesia	4,468	320,518	253,868	66,650	1,057,598	12,624	20,226	80.91
11	035	GCL	Great Connection LTD.	1,065	3,580	69	3,511	79	(1)	1	0.00
12	041	ACNZ	Acer Computer New Zealand Limited	230,195	562,965	423,640	139,326	1,076,576	14,514	3,602	0.30
13	042	ATH	Acer Computer Co., Ltd.	177,284	2,896,636	2,215,155	681,481	8,011,923	144,729	134,091	6.23
14	043	AFE	Acer Computer (Far East) Limited	722,456	410,216	550,739	(140,522)	729,062	(143,327)	(144,619)	(0.98)
15	046	ITS	Acer ITS Inc.	363,385	412,137	300,024	112,113	227,100	(47,868)	(48,685)	(1.34)
16	047	WELL	Wellife Inc.	10,000	139,932	122,265	17,667	405,059	12,098	9,841	9.84
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	29,000	(32,845)	73	(32,918)	389	399	(23,969)	(8.27)
18	049	AIC	Acer AI Cloud Inc.	29,471	2,468	614	1,855	36	(3,220)	(3,228)	(1.10)
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	81,805	1,295,281	1,051,808	243,473	3,016,331	58,446	45,645	11.45
20	054	APDI	Acer Property Development Inc.	29,577	151,879	113,724	38,156	18,074	2,354	1,184	0.40
21	056	ASBZ	StarVR Corporation	6,602	34,759	24,143	10,616	1,861	168	(475)	(0.72)
22	057	ASSB	Acer Sales and Services SDN BHD	205,843	1,996,399	931,810	1,064,588	5,177,950	260,640	192,186	6.21

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
23	058	AHI	Acer Holdings International, Incorporated	5,293,095	15,447,069	3,129	15,443,940	0	(6,040)	594,893	3.11
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	1,856,030	1,050,856	791,838	259,018	2,050,489	137,513	91,119	0.07
25	061	XPLSH	Xplova (Shanghai) Ltd.	8,715	5,321	(3)	5,324	23	(395)	(378)	N.A.
26	062	AAF	Acer Africa (Proprietary) Limited	639	106,822	12,331	94,491	115,511	3,104	3,855	0.10
27	064	ABH	Acer BeingWare Holding Inc.	1,303,085	1,607,676	120	1,607,556	0	(187)	125,439	0.96
28	065	ALT	Altos Computing Inc.	83,730	374,698	294,342	80,357	434,517	(20,836)	(11,515)	(1.38)
29	066	ACCN	Acer Computer (Shanghai) Ltd.	70,434	1,351,386	140,561	1,210,825	403,481	(13,920)	15,766	N.A.
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	136,466	27,450	(3,477)	30,927	(1,439)	(1,560)	112,908	N.A.
31	068	ACTI	Acer Cloud Technology Inc.	170,435	246,692	1,637	245,055	44,838	34,625	20,296	0.00
32	069	SMA	Servex (Malaysia) Sdn Bhd	31,558	944,201	262,475	681,725	3,585,490	75,213	60,314	12.70
33	070	AMS	Acer Market Services Limited	4,328,332	6,080,309	1,691	6,078,618	0	(4,134)	133,925	0.11
34	073	ASIN	Acer Sales International SA	2,911	8,954,820	8,716,292	238,528	29,751,540	220,937	(119,601)	(1,196.01)
35	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	208	9,165	2,351	6,814	9,997	526	4,967	4,966.81
36	086	ACCQ	Acer (Chongqing) Ltd.	4,317,455	8,403,379	3,956,962	4,446,417	15,667,528	(31,401)	(2,887)	N.A.
37	087	SEB	Sertec (Beijing) Ltd.	4,356	8,271	(630)	8,901	0	(107)	5	N.A.
38	089	AAH	Acer American Holdings Corp.	0	26,335,940	0	26,335,940	0	(2)	1,405,213	1,561,348.02
39	091	ACTUS	Acer Cloud Technology (US), Inc.	55	328	0	328	0	(76)	(76)	(0.02)
40	095	ABST	Acer Being Signage Inc.	25,000	43,987	106,013	(62,026)	4,167	4,087	(14,807)	(5.92)
41	096	ABSG	Acer Being Signage GmbH	189,814	124,222	146,029	(21,806)	77,501	(14,957)	(16,637)	(665.50)
42	097	AVN	Acer Vietnam Co., Ltd.	92,381	164,811	97,540	67,271	368,488	16,977	(12,909)	N.A.
43	104	AOI	AOPEN Inc.	714,480	1,655,783	1,013,745	642,038	960,112	(429)	130,205	1.82
44	107	AOE	AOPEN Computer B.V.	571	120,343	141,950	(21,607)	442,607	5,311	6,576	164,400.00
45	113	ENNL	Enfinitec B.V.	3	121,998	84,120	37,878	119,695	(11,083)	(11,297)	(111,852.19)
46	114	ENIT	Enfinitec Italy S.R.L.	315	315	0	315	0	0	0	0.00
47	115	ASZ	Acer Computer (Switzerland) AG	1,517	1,084,239	861,140	223,099	2,686,619	17,457	(10,246)	(204,925.63)
48	120	AAC	Acer America Corporation	1,171,075	36,960,314	26,058,254	10,902,060	71,362,639	1,334,218	1,352,126	436.17
49	121	ACG	ACER Computer GmbH	458,419	12,075,285	9,694,072	2,381,212	29,572,621	261,342	181,976	N.A.
50	122	SAL	Bluechip Infotech Pty Ltd	148,490	824,536	516,425	308,110	2,932,787	39,625	28,407	7.74

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
51	123	AUK	Acer U.K. Limited	339,921	4,696,769	3,447,196	1,249,572	10,371,489	88,158	71,153	7.84
52	124	ACF	Acer Computer France S.A.S.U.	428,456	5,335,198	3,653,724	1,681,474	12,950,403	110,078	73,313	28.13
53	128	ACH	Acer Computer B.V.	82,243	2,302,986	1,503,004	799,982	6,799,934	48,960	55,351	211.89
54	129	AOA	AOPEN America Inc.	415,350	56,875	209,301	(152,426)	298,943	10,393	10,317	0.69
55	134	CCI	Cross Century Investment Limited	28,000	407,386	30	407,356	0	(67)	2,769	N.A.
56	137	ASDI	Aspire Service & Development Inc.	50,000	305,990	247,419	58,571	133,582	(8,686)	10,932	2.19
57	138	ABC	Acer Being Communication Inc.	25,000	5,506	18,072	(12,566)	7,691	(12,708)	(12,508)	(5.00)
58	139	AIT	Acer Italy S.R.L.	25,250	2,753,111	1,791,816	961,295	6,429,461	61,690	48,362	N.A.
59	141	AOSV	Aopen SmartVision Incorporated	40,000	39,489	937	38,553	5,516	(909)	(2,478)	(0.62)
60	142	HTW	Heartware Alliance And Intergation Limited	355	701	0	701	0	(25)	2	0.02
61	143	AOSD	AOPEN SmartView Incorporated	0	0	0	0	1,117,417	48,951	38,132	15.25
62	144	BLI	Bluechip Infotech Incorporated	1,000	2,626	4,240	(1,613)	2,069	(1,642)	(1,620)	(16.20)
63	145	ACD	Acer Denmark A/S	4,234	50,280	22,248	28,031	90,221	4,680	3,183	31,827.34
64	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	107,426	153,041	153,907	(866)	309,212	729	3,283	N.A.
65	151	BLNZ	Bluechip Infotech (NZ) Limited	68,044	77,352	8,983	68,368	5,196	926	340	0.09
66	152	SSL	Soft Solutions Limited	0	60,266	57,891	2,375	28,914	(882)	(498)	(0.17)
67	156	MPS	MPS Energy Inc.	72,487	182,883	121,880	61,003	185,128	5,522	4,428	0.61
68	160	ACV	Acer Austria GmbH	6,864	34,000	8,982	25,017	27,411	789	419	N.A.
69	165	ASCBVI	Acer SoftCapital Incorporated	3,291,136	683,206	69	683,136	0	(3,084)	(24,306)	(0.15)
70	167	AMED	Acer Healthcare Inc.	120,000	136,734	21,946	114,788	9,627	(20,532)	(20,446)	(2.64)
71	168	AEH	Acer European Holdings SA	4,132	17,985,464	217,986	17,767,478	265,984	804	2,098,315	14,274.25
72	171	GCN	GadgeTek (Shanghai) Limited	15,372	78,306	43,737	34,569	204,860	18,368	13,644	N.A.
73	172	AOTH	AOPEN Technology Inc.	1,385	268,194	0	268,194	0	(63)	20,153	403.06
74	173	PBT	Pecer Bio-medical Technology Incorporated	1,000	1,087	61	1,026	517	58	58	0.58
75	174	ACN	Acer Computer Norway AS	20,508	60,854	26,384	34,471	158,948	2,364	1,930	295.47
76	177	EDC	Acer e-Enabling Data Center Incorporated	444,624	1,114,843	646,023	468,820	638,598	24,796	30,747	0.69

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
77	178	AAM	Acer Asset Management Incorporated	1,077,189	1,078,454	761	1,077,692	10,400	629	503	0.00
78	180	AIB	Acer Computer Iberica, S.A.	26,933	2,385,204	1,507,915	877,289	6,479,802	55,679	33,929	238.37
79	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	54,090	214,264	538	213,726	0	(12)	2,819	N.A.
80	182	AIN	PT. Acer Indonesia	4,036	4,062,744	3,173,525	889,219	8,239,128	129,137	124,877	416.26
81	189	HSN	HighPoint Service Network Sdn Bhd	3,323	144,127	51,287	92,840	314,795	43,779	9,178	18.36
82	192	AIL	Acer India Private Limited	29,354	7,420,319	6,984,216	436,103	12,558,982	69,093	45,909	0.58
83	193	ADSC	Acer Digital Service Co.	662,149	1,311,359	19,525	1,291,835	0	(236)	64,348	0.97
84	194	AFN	Acer Finland Oy	265	40,147	2,753	37,394	17,954	821	641	12,828.59
85	197	AHN	Acer Europe B. V.	104,552	10,803,530	26,045	10,777,486	0	(9,238)	433,906	2,613.22
86	199	ACW	Acer Sweden AB	306	43,666	6,869	36,797	29,059	1,402	970	969.58
87	200	SER	Sertec 360 SA	2,591	456,240	385,180	71,060	1,537,717	2,877	2,611	2,611.13
88	203	CPY	CPYou B.V.	31	663,516	433,419	230,097	1,079,338	(7,450)	(9,620)	(9,620.45)
89	223	AST	Acer Synergy Tech Corp.	130,300	645,267	279,102	366,165	1,016,325	13,144	31,816	2.44
90	224	ASTS	Shanghai AST Technology Service Ltd.	19,168	29,222	731	28,490	37,216	6,133	3,711	N.A.
91	225	ISU	ISU Service Corp.	20,000	88,533	49,957	38,576	269,988	21,781	17,409	8.70
92	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	13,845	15,325	3,668	11,657	3,550	(2,803)	(2,199)	(4,398.00)
93	227	ACLAH	Boardwalk Capital Holdings Limited	38,020,345	28,001,845	253,992	27,747,853	0	(58)	1,846,032	1.34
94	228	ACLAN	ACLA Holdings North, LLC	0	0	0	0	0	0	0	N.A.
95	229	ACLAS	ACLA Holding South, LLC	0	0	0	0	0	0	0	N.A.
96	230	ACLAE	ACLA Holding East, LLC	0	0	0	0	0	0	0	N.A.
97	231	ACLAW	ACLA Holding West, LLC	0	0	0	0	0	0	0	N.A.
98	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	1,238,878	5,542,447	4,463,230	1,079,217	12,218,573	310,545	338,145	1.36
99	244	ACSI	Acer Cyber Security Incorporated	169,997	1,011,527	367,381	644,146	852,427	106,506	86,853	5.11
100	245	ACAD	ACSI Cyber Security Academy Inc.	10,000	8,861	1,221	7,640	0	(2,360)	(2,360)	(2.36)
101	249	AOC	AOPEN International (ShangHai) Co., Ltd	170,963	151,705	136,373	15,333	221,614	(291)	(172)	N.A.

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
102	251	AGT	Acer Gadget Inc.	125,397	2,455,625	472,222	1,983,403	893,803	636	8,082	0.64
103	257	ARU	Acer Marketing Services LLC	7,416	58,894	126,758	(67,863)	132,317	(8,286)	(12,351)	N.A.
104	259	AGU	AGP Insurance (Guernsey) Limited	157,418	1,033,957	93,466	940,491	59,415	45,765	51,099	10.22
105	260	DTP	Dingo Tech Pty Ltd	2	6	4	2	0	0	0	0.00
106	261	DNA	Digital Networks Australia Pty Ltd	4	126,739	114,631	12,109	1,011,408	22,935	10,676	53,377.71
107	262	IGP	Ingeniq Pty Ltd	2	2	0	2	1,965	0	0	0.00
108	265	BJAC	Beijing Altos Computing Ltd.	19,168	120,890	27,598	93,292	140,437	11,554	10,148	N.A.
109	269	AOJ	AOPEN Japan Inc.	2,406	48,818	21,048	27,771	64,941	1,957	1,663	8,315.00
110	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	457,225	271,404	22,237	249,166	43,122	6,163	13,245	N.A.
111	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	3,017	18,520	0	18,520	0	(16)	(4,230)	(28.20)
112	277	AOAU	AOPEN Australia & New Zealand Pty Ltd	2	63,338	46,892	16,446	88,563	(2,479)	(2,718)	(27,180.00)
113	284	ACVC	Acer China Venture Corp	21,782	1,975	0	1,975	0	(1,699)	(1,681)	N.A.
114	285	ACVP	Acer China Venture Partnership	65,347	9,270	0	9,270	0	(26)	(18)	N.A.
115	287	AGM	Acer Gaming Inc.	100,000	234,284	100,646	133,638	1,240,397	41,052	32,391	9.97
116	288	DZH	DropZone Holding Limited	2,769	800	0	800	0	(85)	(129)	(1.29)
117	289	DZL	DropZone (Hong Kong) Limited	831	826	78	747	47	(43)	(44)	(14.53)
118	293	AAPH	Acer Asia Pacific Sdn Bhd	27,690	97,988	546	97,442	0	33,481	30,872	9.30
119	310	AEG	Acer Europe SA	36,635	24,393,481	21,117,323	3,276,158	100,860,881	958,175	1,536,316	931,100.88
120	313	ACZ	Acer Czech Republic s.r.o.	2,531	227,122	145,731	81,391	667,785	5,808	4,094	N.A.
121	327	PGL	Protrade Global Limited	138,450	270,365	83,508	186,857	0	(656)	143,530	28.71
122	329	SCL	Snoqualmie Company Ltd	27,679	32,093	57	32,036	0	(128)	25,824	180.84
123	330	PAL	Protrade Asia Limited	71,994	283,323	180,094	103,229	2,077,158	93,306	88,925	342.02
124	331	DCL	Dakota Co., Ltd.	17,999	132,440	416	132,024	0	(622)	12,474	19.19
125	332	CRI	Cascadia Resources Inc.	3	471,286	470,054	1,232	1,154,828	10,072	(4,237)	(4.24)
126	333	PAM	Portrade Applied Materials Corp.	30,000	581,856	549,780	32,076	1,334,863	24,356	25,771	8.59
127	334	PST	Protrade Shanghai Trading Co., Ltd.	22,079	368,446	239,554	128,892	1,044,378	39,563	36,173	55.65
128	335	PRV	Protrade Resources Vietnam Company Limited	2,810	2,729	6	2,723	0	(5)	(59)	(59,000.00)

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
129	336	APHI	Acer Philippines, Inc.	7,337	974,823	850,512	124,311	2,377,507	82,808	57,712	427.18
130	337	HSNV	HigHPoint Service Network Vietnam Company Limited	4,165	5,795	3,012	2,783	126	102	(1,419)	N.A.
131	338	HPA	HigHPoint Australia Pty Ltd	10,056	0	(24,257)	24,257	0	0	0	0.00
132	345	HSNI	PT HSN Tech Indonesia	28,947	60,995	23,344	37,651	16,218	11,273	5,109	5.16
133	346	AIP	Acer Infotech Pvt Ltd	0	6,362	310	6,052	5,839	(175)	44	0.00
134	347	HSNP	HigHPoint Services Network Philippines, Inc.	5,756	70,283	50,327	19,957	130,529	46,512	22,567	212.90
135	348	HSNT	HigHPoint Service Network (Thailand) Co., Ltd	2,019	37,974	33,680	4,294	65,600	8,796	(3,849)	(157.11)
136	349	HSNC	HigHPoint Service Network Corporation	162,100	226,658	58,256	168,402	55,756	16,235	13,297	0.82
137	356	VRE	StarVR Europe SA	2,654	43	187	(144)	0	(230)	(229)	(22.89)
138	400	GWI	Gateway, Inc.	0	21,312,620	270,947	21,041,672	15	51	1,380,991	13,809,911.93

1.7 Rosters of Directors, Supervisors, and Presidents of Acer's Subsidiaries

As of December 31, 2021

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
1	011	APX	Asplex Sp. z o.o.	Director	Mustafa Ozbilen, Emmanuel Fromont, Tai Chi Shih	2,000	100.00%
				President	-		
2	013	API	AcerPure Inc.	Director	Andrew Hou, Jason Chen, Meggy Chen	8,221,900	100.00%
				President	-		
				Supervior	Sophia YL Chen		
3	014	WLII	Weblink International Inc.	Director	Jason Chen, Dave Lin, Meggy Chen	48,173,116	58.93%
				President	Dave Lin		
				Independent Director	Cheng Yeh Ran, Jui Po Tang ,Wang Ming-Jhy, Steven Shaw		
4	017	ASC	Acer Service Corporation	Director	Gregg Prendergast, Ming Wang, Meggy Chen	1,000	100.00%
				President	Gregg Prendergast		
5	022	AJC	Acer Japan Corp.	Director	Andrew Hou, Meggy Chen, Bob Sen	22,862	100.00%
				President	-		
				Supervior	Sophia YL Chen, Ryan Yen		
6	023	AEB	Acer e-Enabling Service Business Inc.	Director	Jason Chen, Maverick Shih, Meggy Chen	26,404,000	72.44%
				President	Sandy Chou		
				Independent Director	Kevin Hou, David Yeh, H.T. Chou, M.C. Tzeng		
7	024	APL	Acer Poland sp. z o.o.	Director	Emmanuel Fromont, Tai Chi Shih, Lukasz.Lopuszynski	2,000	100.00%
				President	-		
8	028	XPL	Xplova Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu	2,309,770	100.00%
				President	-		
				Supervior	Sophia YL Chen		
9	030	ACA	Acer Computer Australia Pty. Limited	Director	Darren Simmons, Sophia YL Chen, Andrew Hou	67,295,984	100.00%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
10	034	AMI	PT. Acer Manufacturing Indonesia	Director	Herbet Ang, Meggy Chen, Andrew Hou, Parman Iskak	250,000	100.00%
				President	Herbet Ang		
11	035	GCL	Great Connection LTD.	Director	Dale Tsai, Edward Chen	300,000	40.55%
				President	-		
12	041	ACNZ	Acer Computer New Zealand Limited	Director	Darren Simmons, Sophia YL Chen, Andrew Hou	12,178,861	100.00%
				President	-		
13	042	ATH	Acer Computer Co., Ltd.	Director	Alan Chiang, Andrew Hou, Sophia YL Chen	21,507,750	100.00%
				President	Alan Chiang		
14	043	AFE	Acer Computer (Far East) Limited	Director	Jason Chen, Meggy Chen	147,420,000	100.00%
				President	-		
15	046	ITS	Acer ITS Inc.	Director	Jason Chen, Meggy Chen, Andy HT Lin, Maverick Shih, Lydia Wu	34,307,799	94.41%
				President	Kenny Yu		
				Supervior	Dick Tan, Vincent Chi		
16	047	WELL	Wellife Inc.	Director	Dave Lin, Meggy Chen, Lydia Wu	1,000,000	65.32%
				President	-		
				Supervior	Sophia YL Chen		
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	Director	Maverick Shih, Jason Chen, Meggy Chen	2,900,000	100.00%
				President	-		
				Supervior	Sophia YL Chen		
18	049	AIC	Acer AI Cloud Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu	2,947,098	100.00%
				President	-		
				Supervior	Sophia YL Chen		
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	Director	Andrew Hou, Pin Gek Nea, Sophia YL Chen	3,985,385	100.00%
				President	-		
20	054	APDI	Acer Property Development Inc.	Director	Andy HT Lin, Meggy Chen, Mercury Kuo	2,957,742	100.00%
				President	-		
				Supervior	Sophia YL Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
21	056	ASBZ	StarVR Corporation	Director	Emmanuel Marquez, Jason Chen, Jerry Kao, Meggy Chen	32,211,790	66.81%
				President	-		
				Supervior	Sophia YL Chen, Maeva Sponbergs		
22	057	ASSB	Acer Sales and Services SDN BHD	Director	Tek Yoong Kon, Ricky Tan, Andrew Hou	30,969,332	100.00%
				President	-		
23	058	AHI	Acer Holdings International, Incorporated	Director	Meggy Chen, Jason Chen	191,155,465	100.00%
				President	-		
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	Director	Gregg Prendergast, Juan Jose Cordova, Germano Couy	1,373,840,957	99.95%
				President	Angel Morales		
25	061	XPLSH	Xplova (Shanghai) Ltd.	Director	Mercury Kuo, Lydia Wu, Meggy Chen	N.A.	100.00%
				President	Mercury Kuo		
				Supervior	Sophia YL Chen		
26	062	AAF	Acer Africa (Proprietary) Limited	Director	Emmanuel Fromont, Glenn Du toit, Tai Chi Shih	36,800,000	100.00%
				President	-		
27	064	ABH	Acer BeingWare Holding Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu	130,308,478	100.00%
				President	-		
				Supervior	Sophia YL Chen		
28	065	ALT	Altos Computing Inc.	Director	Andrew Hou, Jason Chen, Meggy Chen, Jerry Kao, Jeff Lee	6,580,717	78.59%
				President	Jackie Lee		
				Supervior	Dick Tan, Vincent Chi		
29	066	ACCN	Acer Computer (Shanghai) Ltd.	Director	Mercury Kuo, Jason Chen, Lydia Wu	N.A.	100.00%
				President	Mercury Kuo,		
				Supervior	Sophia YL Chen		
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	Director	Maverick Shih, Jason Chen, Meggy Chen	N.A.	100.00%
				President	Ann Lin		
				Supervior	Dick Tan		
31	068	ACTI	Acer Cloud Technology Inc.	Director	Maverick Shih, Meggy Chen, Jason Chen	32,000,000,001	100.00%
				President	Maverick Shih		
32	069	SMA	Servex (Malaysia) Sdn Bhd	Director	Tek Yoong Kon, Ricky Tan	4,748,000	100.00%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
33	070	AMS	Acer Market Services Limited	Director	Meggy Chen	1,218,717,000	100.00%
				President	-		
34	073	ASIN	Acer Sales International SA	Director	Tai Chi Shih, Grigory Nizovsky	100,000	100.00%
				President	Grigory Nizovsky		
35	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	Director	Emmanuel Fromont, Grigory Nizovsky, Tai Chi Shih, Savas Yalcin	1,000	100.00%
				President	-		
36	086	ACCQ	Acer (Chongqing) Ltd.	Director	Mercury Kuo, Jason Chen, Lydia Wu	N.A.	100.00%
				President	Mercury Kuo,		
				Supervior	Sophia YL Chen		
37	087	SEB	Sertec (Beijing) Ltd.	Director	Sophia YL Chen, Andrew Hou, Victor Soon	N.A.	100.00%
				President	Victor Soon		
				Supervior	Jim Liu		
38	089	AAH	Acer American Holdings Corp.	Director	Gregg Prendergast, Jason Chen, Meggy Chen	900	100.00%
				President	-		
39	091	ACTUS	Acer Cloud Technology (US), Inc.	Director	Maverick Shih, Dick Tan	3,899,800	100.00%
				President	Wei Ding		
40	095	ABST	Acer Being Signage Inc.	Director	Maverick Shih, Jason Chen, Meggy Chen	2,500,000	100.00%
				President	-		
				Supervior	Dick Tan		
41	096	ABSG	Acer Being Signage GmbH	Director	Wayne Ma	25,000	100.00%
				President	-		
42	097	AVN	Acer Vietnam Co., Ltd.	Director	Andrew Hou, Tony Vo, Sophia YL Chen	N.A.	100.00%
				President	Tony Vo		
43	104	AOI	AOPEN Inc.	Director	Victor Chien, Jason Chen, Maverick Shih, Dale Tsai	28,970,000	40.55%
				President	Victor Chien		
				Independent Director	Grace Lung, Steve Tso, Andrew Chang		
44	107	AOE	AOPEN Computer B.V.	Director	Jack Chou, Victor Chien, Ken Wang	40	40.55%
				President	Jack Chou		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
45	113	ENNL	Enfinitec B.V.	Director	Tobi Musson, Bart Janssen, Tai Chi Shih, Emmanuel Pierre Marie Fromont	101	100.00%
				President	-		
46	114	ENIT	Enfinitec Italy S.R.L.	Director	Emmanuel Pierre Marie Fromont, Tai Chi Shih, Tobi Musson	1	100.00%
				President	-		
47	115	ASZ	Acer Computer (Switzerland) AG	Director	Emmanuel Fromont, Tai Chi Shih, Thomas Berli	50	100.00%
				President	-		
48	120	AAC	Acer America Corporation	Director	Jason Chen, Ming Wang, Gregg Prendergast	3,100,000	100.00%
				President	Gregg Prendergast		
49	121	ACG	ACER Computer GmbH	Director	Emmanuel Fromont, Tai Chi Shih, Wilfried Thom, Robert Perenz	N.A.	100.00%
				President	-		
50	122	SAL	Bluechip Infotech Pty Ltd	Director	Chiang Sheng Hsiung, Ronald Keith Jarvis, Guan-Sheng Renn, Jerry Lin, Yu-Hsiu Chen	1,990,734	32.67%
				President	-		
51	123	AUK	Acer U.K. Limited	Director	Emmanuel Fromont, Tai Chi Shih, Craig Booth	9,071,790	100.00%
				President	-		
52	124	ACF	Acer Computer France S.A.S.U.	Director	Jean.Luc.Bayel, Angelo DAmbrosio, Emmanuel Fromont,Tai Chi Shih	2,606,140	100.00%
				President	-		
53	128	ACH	Acer Computer B.V.	Director	Bart Janssen, Emmanuel Fromont, Tai Chi Shih	261,226	100.00%
				President	-		
54	129	AOA	AOPEN America Inc.	Director	Victor Chien, Jim Chen, Ken Wang	15,000,000	40.55%
				President	Aaron Pompey		
55	134	CCI	Cross Century Investment Limited	Director	Jason Chen, Sophia YL Chen, Meggy Chen	N.A.	100.00%
				President	-		
56	137	ASDI	Aspire Service & Development Inc.	Director	Andy HT Lin, Meggy Chen, Mercury Kuo	5,000,000	100.00%
				President	-		
				Supervior	Sophia YL Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
57	138	ABC	Acer Being Communication Inc.	Director	Jason Chen, Maverick Shih, Po Po	2,500,000	100.00%
				President	-		
				Supervior	Sophia YL Chen		
58	139	AIT	Acer Italy S.R.L.	Director	Diego Cavallari, Emmanuel Fromont, Tai Chi Shih, Marco Peverelli (outside), Roberta Matrone(outside), Giovanni Borgini(outside)	N.A.	100.00%
				President	-		
59	141	AOSV	Aopen SmartVision Incorporated	Director	Victor Chien, Ken Wang, Edward Chen	4,000,000	40.55%
				President	-		
				Supervior	Alice Yang		
60	142	HTW	Heartware Alliance And Intergation Limited	Director	Dale Tsai, Steve Yu	100,000	40.55%
				President	-		
61	143	AOSD	AOPEN SmartView Incorporated	Director	Victor Chien, Jason Chen, Ken Wang	2,500,000	40.55%
				President	-		
				Supervior	Edward Chen		
62	144	BLI	Bluechip Infotech Incorporated	Director	Jerry Lin, Chiang Sheng Hsiung, Peter L.J. Pan	100,000	39.69%
				President	-		
				Supervior	Edward Chen		
63	145	ACD	Acer Denmark A/S	Director	Tai Chi Shih, Henrik Frydahl, Emmanuel Fromont	100	100.00%
				President	-		
64	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	Director	Mercury Kuo	N.A.	100.00%
				President	-		
				Supervior	-		
65	151	BLNZ	Bluechip Infotech (NZ) Limited	Director	Jerry Lin, Chiang Sheng Hsiung	3,600,000	32.67%
				President	-		
66	152	SSL	Soft Solutions Limited	Director	Jerry Lin, Chiang Sheng Hsiung, Christopher James Walter Fitzgerald	3,000,000	19.60%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
67	156	MPS	MPS Energy Inc.	Director	RC Chang, Jason Chen, Meggy Chen	7,248,736	100.00%
				President	-		
				Supervior	Sophia YL Chen		
68	160	ACV	Acer Austria GmbH	Director	Emmanuel Fromont, Michael Stuhr, Tai Chi Shih	N.A.	100.00%
				President	-		
69	165	ASCBVI	Acer SoftCapital Incorporated	Director	Meggy Chen, Jason Chen	158,475,324	100.00%
				President	-		
70	167	AMED	Acer Healthcare Inc.	Director	RC Chang, Stan Shih, Jason Chen	7,299,000	60.83%
				President	YH Hsu		
				Independent Director	Shou-Jen Kuo, Hsu-Sung Kuo, Wen-Yueh Chan, Mon-Han Wu		
71	168	AEH	Acer European Holdings SA	Director	Emmanuel Fromont, Bruno Pelletier, Tai Chi Shih, Jason Chen, Meggy Chen	147,000	100.00%
				President	-		
72	171	GCN	GadgeTek (Shanghai) Limited	Director	Jack Lan	N.A.	83.64%
				President	-		
				Supervior	-		
73	172	AOTH	AOPEN Technology Inc.	Director	Ken Wang, Edward Chen	50,000	40.55%
				President	-		
74	173	PBT	Pecer Bio-medical Technology Incorporated	Director	Jason Chen, Dave Lin, Steve Lin	75,000	48.99%
				President	-		
				Supervior	Sophia YL Chen		
75	174	ACN	Acer Computer Norway AS	Director	Emmanuel Fromont, Anne-Mette Guthus, Tai Chi Shih, Wilfried Thom	6,531	100.00%
				President	-		
76	177	EDC	Acer e-Enabling Data Center Incorporated	Director	Maverick Shih, Rex Wu, Meggy Chen	44,462,350	100.00%
				President	Ken Lin		
				Supervior	Dick Tan		
77	178	AAM	Acer Asset Management Incorporated	Director	Jason Chen, Lydia Wu, Andy HT Lin	107,718,900	100.00%
				President	Sophia YL Chen		
				Supervior	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
78	180	AIB	Acer Computer Iberica, S.A.	Director	Ivana Clemente, Emmanuel Fromont, Tai Chi Shih	142,338	100.00%
				President	-		
79	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	Director	KV Cheng, Sophia YL Chen, Mercury Kuo	N.A.	100.00%
				President	-		
				Supervior	Jim Liu		
80	182	AIN	PT. Acer Indonesia	Director	Teck Chee Hean, Jacky Lin, Gerald Ho	300,000	100.00%
				President	Soon, Peng Sin		
81	189	HSN	HighPoint Service Network Sdn Bhd	Director	Tek Yoong Kon, Ricky Tan	500,000	66.27%
				President	Gerald Ho		
82	192	AIL	Acer India Private Limited	Director	Sophia YL Chen, Andrew Hou, Harish K. Kohli	78,803,764	100.00%
				President	-		
83	193	ADSC	Acer Digital Service Co.	Director	Jason Chen, Meggy Chen, Lydia Wu	66,214,874	100.00%
				President	-		
				Supervior	Sophia YL Chen		
84	194	AFN	Acer Finland Oy	Director	Emmanuel Fromont, Tai Chi Shih, Wilfried Thom, Henrik Frydahl	50	100.00%
				President	-		
85	197	AHN	Acer Europe B. V.	Director	Emmanuel Fromont, Joachim de Rooij, Tai Chi Shih	166,043	100.00%
				President	-		
86	199	ACW	Acer Sweden AB	Director	Emmanuel Fromont, Henrik Frydahl, Tai Chi Shih, Niels Bjorling	1,000	100.00%
				President	-		
87	200	SER	Sertec 360 SA	Director	Tobi Musson, Marcus Kueppers, Emmanuel Fromont, Tai Chi Shih	1,000	100.00%
				President	-		
88	203	CPY	CPYou B.V.	Director	Bart Janssen, Joachim de Rooij, Tai Chi Shih, Philippe Henry	1,000	100.00%
				President	-		
89	223	AST	Acer Synergy Tech Corp.	Director	Maverick Shih, Meggy Chen, Jessica Chou	6,775,489	52.00%
				President	KS Harn		
				Independent Director	Nancy Hu, Teresa Cheng, Cathy Yen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
90	224	ASTS	Shanghai AST Technology Service Ltd.	Director	Lydia Wu, Maverick Shih, Meggy Chen	N.A.	52.00%
				President	KS Harn		
				Supervior	Sophia YL Chen		
91	225	ISU	ISU Service Corp.	Director	Maverick Shih, Meggy Chen, KS Harn	2,000,000	52.00%
				President	JR Wu		
				Supervior	Grace Ou		
92	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	Director	Maverick Shih, KS Harn	500	52.00%
				President	-		
93	227	ACLAH	Boardwalk Capital Holdings Limited	Director	Jason Chen, Meggy Chen	1,373,071,341	100.00%
				President	-		
94	228	ACLAN	ACLA Holdings North, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
95	229	ACLAS	ACLA Holding South, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
96	230	ACLAE	ACLA Holding East, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
97	231	ACLAW	ACLA Holding West, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
98	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	Director	-	249,466,846	100.00%
				President	Alexandre Gerardo		
99	244	ACSI	Acer Cyber Security Incorporated	Director	Maverick Shih, Ben Wan, Meggy Chen	10,755,900	64.54%
				President	Rex Wu		
				Independent Director	MingTo Yu, Chie-Shiang Tong, Sen Chou Lo		
100	245	ACAD	ACSI Cyber Security Academy Inc.	Director	Rex Wu, Chris Kuo, C Y Huang	1,000,000	64.54%
				President	Dick Tan		
				Supervior	-		
101	249	AOC	AOPEN International (ShangHai) Co., Ltd	Director	Dale Tsai, Edward Chen, Richard Lin	N.A.	40.55%
				President	Sunny Liao		
				Supervior	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
102	251	AGT	Acer Gadget Inc.	Director	Jason Chen, Jerry Kao, Meggy Chen	12,539,736	100.00%
				President	Allen Jong		
				Supervior	Sophia YL Chen		
103	257	ARU	Acer Marketing Services LLC	Director	Tai Chi Shih, Julia Volodina, Bruno Pelletier	N.A.	100.00%
				President	-		
104	259	AGU	AGP Insurance (Guernsey) Limited	Director	David Allen, Christopher Andersen, Alfredo Crespi, Meggy Chen, Christian Greisberger	5,000,000	100.00%
				President	-		
105	260	DTP	Dingo Tech Pty Ltd	Director	Chiang-Sheng Hsiung	100	32.67%
				President	Chiang-Sheng Hsiung		
106	261	DNA	Digital Networks Australia Pty Ltd	Director	Chiang-Sheng Hsiung	200	32.67%
				President	Chiang-Sheng Hsiung		
107	262	IGP	Ingeniq Pty Ltd	Director	Chiang-Sheng Hsiung	100	32.67%
				President	Chiang-Sheng Hsiung		
108	265	BJAC	Beijing Altos Computing Ltd.	Director	Jackie CC Lee, Jason Chen, Meggy Chen	N.A.	86.59%
				President	-		
				Supervior	Sophia YL Chen		
109	269	AOJ	AOPEN Japan Inc.	Director	Ken Wang, Frank Huang, Victor Chien	200	40.55%
				President	-		
				Supervior	Edward Chen		
110	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	Director	Dale Tsai	N.A.	40.55%
				President	Steve Yu		
				Supervior	Edward Chen		
111	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	Director	Dale Tsai, Edward Chen, Stephen Borg	105,000	28.39%
				President	-		
112	277	AOAU	AOPEN Australia & New Zealand Pty Ltd	Director	Dale Tsai, Edward Chen, Stephen Borg, Steve Hogan	100	28.39%
				President	Stephen Borg		
113	284	ACVC	Acer China Venture Corp	Director	Joseph Hsueh , Jason Chen, Jerry Lin	N.A.	100.00%
				President	-		
				Supervior	Meggy Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
114	285	ACVP	Acer China Venture Partnership	Director	Joseph Hsueh	N.A.	100.00%
				President	-		
				Supervior	-		
115	287	AGM	Acer Gaming Inc.	Director	Jerry Kao, Meggy Chen, Vincent Wei	10,000,000	100.00%
				President	-		
				Supervior	Vincent Chi		
116	288	DZH	DropZone Holding Limited	Director	Jason Chen, Jerry Kao, Meggy Chen	100,000	100.00%
				President	-		
117	289	DZL	DropZone (Hong Kong) Limited	Director	Jason Chen, Jerry Kao, Meggy Chen	3,000	100.00%
				President	-		
118	293	AAPH	Acer Asia Pacific Sdn Bhd	Director	Jason Chen, Tek Yoong Kon, Ricky Tan, Andrew Hou	3,319,995	100.00%
				President	-		
119	310	AEG	Acer Europe SA	Director	Emmanuel Fromont, Jason Chen, Tai Chi Shih	1,650	100.00%
				President	-		
120	313	ACZ	Acer Czech Republic s.r.o.	Director	Emmanuel Fromont, Tomas Cech, Tai Chi Shih	N.A.	100.00%
				President	-		
121	327	PGL	Protrade Global Limited	Director	Jason Chen, Dave Lin, Chenta Chen	5,000,000	30.05%
				President	-		
122	329	SCL	Snoqualmie Company Ltd	Director	Dave Lin, Jack Wei	142,800	30.05%
				President	-		
123	330	PAL	Protrade Asia Limited	Director	Dave Lin, Jack Wei, Gordon Christopher Bell	260,000	30.05%
				President	-		
124	331	DCL	Dakota Co., Ltd.	Director	Dave Lin, Jack Wei	650,000	30.05%
				President	-		
125	332	CRI	Cascadia Resources Inc.	Director	-	1,000,000	30.05%
				President	Gordon Christopher Bell		
126	333	PAM	Portrade Applied Materials Corp.	Director	Dave Lin, Jason Chen, Chenta Chen	3,000,000	30.05%
				President	Cathy Wang		
				Supervior	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
127	334	PST	Protrade Shanghai Trading Co., Ltd.	Director	Dave Lin, Jack Wei, Juno Ko	650,000	30.05%
				President	Cathy Wang		
				Supervisor	-		
128	335	PRV	Protrade Resources Vietnam Company Limited	Director	Wang, Jui-Yang	1	30.05%
				President	-		
129	336	APHI	Acer Philippines, Inc.	Director	Manuel Wong, Ryan Yen, Andrew Hou, Susan M Santos, Yolanda S. Sebastian	135,101	100.00%
				President	Manuel Wong		
130	337	HSNV	HigHPoint Service Network Vietnam Company Limited	Director	Tony Vo, Andrew Hou, Jacky Lin	N.A.	66.27%
				President	Jeffrey Chiang		
				Supervisor	Tony Vo		
131	338	HPA	HigHPoint Australia Pty Ltd	Director	Darren Simmons	500,000	100.00%
				President	-		
132	345	HSNI	PT HSN Tech Indonesia	Director	Effendy thendean, Andrew Hou	990,000	65.61%
				President	Jeffrey Chiang		
				Supervisor	Herbet Ang		
133	346	AIP	Acer Infotech Pvt Ltd	Director	Harish K. Kohli, Alok Dubey	16,250,000	100.00%
				President	-		
134	347	HSNP	HigHPoint Services Network Philippines, Inc.	Director	Manuel Wong, Ryan Yen, Andrew Hou, Susan M Santos, Yolanda S. Sebastian	106,000	66.27%
				President	Manuel Wong		
135	348	HSNT	HigHPoint Service Network (Thailand) Co., Ltd	Director	Sombat Toasaksiri, Jeffrey Chiang, Jacky Lin	24,499	66.27%
				President	-		
136	349	HSNC	HigHPoint Service Network Corporation	Director	Andrew Hou, Lydia Wu, Meggy Chen, Andy HT Lin, Ryan Yen	10,742,881	66.27%
				President	Jacky Lin		
				Supervisor	Dick Tan, Vincent Chi		
137	356	VRE	StarVR Europe SA	Director	Guido Wennemer, Ted Chiou, Meggy Chen	10,000	66.80%
				President	-		
138	400	GWI	Gateway, Inc.	Director	Meggy Chen, Gregg Prendergast, Ming Wang	100	100.00%
				President	-		

2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan

None

3. Status of Acer common shares and GDRs acquired, disposed of, and held by subsidiaries

Unit: NTD Thousands

Name of Investee	Total Amount of Paid-in Capital	Source	Percentage of Acer	Acquired/ disposed date	Acquisitions	Disposal	Gain (Loss)	Number shares(units) and amount as of the Date of this Annual Report	Pledged	Guarantees and endorsements provided by Acer	Financing provide by Acer
CCI	880,000	Generated from operations	100%	During 2021 and as of the Date of this Annual Report	0 share $0	0 share $0	0 share $0	4,773,731 shares $171,324	None	None	None
ASCBVI	3,578,294	Generated from operations	100%	During 2021 and as of the Date of this Annual Report	0 share $0	0 share $0	0 share $0	12,729,869 shares $522,237	None	None	None
ASCBVI	3,578,294	Generated from operations	100%	During 2021 and as of the Date of this Annual Report	0 share $0	0 share $0	0 share $0	GDR (Note) 4,987,459 units $1,969,617	None	None	None
AGT	125,397	Generated from operations	100%	During 2021 and as of the Date of this Annual Report	0 share $0	0 share $0	0 share $0	4,305,395 shares $251,678	None	None	None

Note: Each unit stands for Acer's 5 common shares.

4. Other matters that require additional description

None

If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one

None

Appendix I

2021 Consolidated Financial Statements

Stock Code:2353

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Acer Incorporated as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Acer Incorporated and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Acer Incorporated
Jason Chen
Chairman
March 16, 2022

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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, 2021 and 2020, 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, 2021 and 2020, 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 of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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, 2021 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.

   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(e) for the details of the write-down of inventories.

   Description of key audit matter:

   Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of computech industry and fierce market competition, Acer Incorporated and its subsidiaries' product price may fluctuate rapidly. Furthermore, the stocks for products and 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(k) for the evaluation of goodwill impairment.

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 estimation base 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 business forecasts, and performing a sensitivity analysis of 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, 2021 and 2020, 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 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 auditors' 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 auditing standards generally accepted in 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 aggregated, 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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, 2022

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 44,619,541	21	39,181,023	21
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	3,222,868	2	5,841,103	3
1120	Financial assets measured at fair value through other comprehensive income－current (note 6(c))	-	-	98,818	-
1140	Contract assets－current (note 6(x))	451,354	-	514,369	-
1170	Notes and accounts receivable, net (notes 6(d) & (x))	64,039,437	30	55,170,110	30
1180	Accounts receivable from related parties (notes 6(d) & (x) and 7)	1,329	-	27,419	-
1200	Other receivables (notes 6(d) and 7)	505,914	-	548,016	-
1220	Current income tax assets	486,468	-	365,493	-
130X	Inventories (note 6(e))	58,703,827	27	42,983,432	24
1470	Other current assets (note 6(l))	3,064,500	1	4,006,693	3
	Total current assets	175,095,238	81	148,736,476	81
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(c) and 7)	7,806,702	4	6,109,592	3
1550	Investments accounted for using the equity method (note 6(f) and 7)	937,129	-	1,008,312	1
1600	Property, plant and equipment (notes 6(h))	4,055,870	2	3,865,909	2
1755	Right-of-use assets (note 6(i))	1,736,642	1	1,857,520	1
1760	Investment property (note 6(j))	819,591	-	749,843	-
1780	Intangible assets (note 6(k))	16,527,283	8	16,292,729	9
1840	Deferred income tax assets	3,671,634	2	2,480,776	1
1900	Other non-current assets (notes 6(l) & (s))	2,943,066	1	1,748,559	1
1980	Other financial assets－non-current (note 8)	1,195,156	1	1,058,956	1
	Total non-current assets	39,693,073	19	35,172,196	19
	Total assets	**$ 214,788,311**	**100**	**183,908,672**	**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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(m) and 8)	$ 1,253,590	1	1,029,117	1
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b) & (g))	291,917	-	1,526,494	1
2130	Contract liabilities－current (note 6(x))	2,455,504	1	2,269,409	1
2170	Notes and accounts payable (note 7)	57,897,697	27	49,405,634	27
2200	Other payables (notes 6(y) and 7)	37,249,145	17	29,810,924	16
2230	Current tax liabilities	5,205,928	2	3,371,032	2
2250	Provisions－current (notes 6(q) and 9)	6,401,659	3	5,948,144	3
2280	Lease liabilities－current (note 6(p))	530,564	-	602,656	-
2322	Current portion of long-term debt (notes 6(n) and 8)	20,106	-	18,113	-
2365	Refund liabilities－current	16,128,976	8	15,074,621	8
2399	Other current liabilities (note 6(s))	1,987,969	1	1,664,174	1
	Total current liabilities	129,423,055	60	110,720,318	60
	Non-current liabilities:				
2500	Financial liabilities measured at fair value through profit or loss－non-current (note 6(b) & (g))	3,066	-	-	-
2527	Contract liabilities－non-current (note 6(x))	1,002,391	-	827,783	-
2531	Bonds payable (notes 6(o))	10,000,000	5	-	-
2540	Long-term debt (notes 6(n) and 8)	99,820	-	3,395,102	2
2550	Provisions－non-current (note 6(q) and 9)	201,650	-	33,121	-
2570	Deferred income tax liabilities	4,643,830	2	3,555,113	2
2580	Lease liabilities－non-current (note 6(p))	1,320,713	1	1,353,697	1
2600	Other non-current liabilities	2,070,843	1	2,081,574	1
	Total non-current liabilities	19,342,313	9	11,246,390	6
	Total liabilities	148,765,368	69	121,966,708	66
	Equity (note 6(u)):				
3110	Common stock	30,478,538	14	30,478,538	17
3200	Capital surplus	27,514,269	13	27,378,068	15
	Retained earnings:				
3310	Legal reserve	1,456,427	1	853,852	1
3320	Special reserve	4,833,750	2	3,976,265	2
3350	Unappropriated retained earnings	10,596,212	5	6,038,916	3
3400	Other equity	(8,287,624)	(4)	(5,517,452)	(3)
3500	Treasury stock	(2,914,856)	(1)	(2,914,856)	(2)
	Equity attributable to shareholders of the Parent	63,676,716	30	60,293,331	33
36XX	**Non-controlling interests**	2,346,227	1	1,648,633	1
	Total equity	66,022,943	31	61,941,964	34
	Total liabilities and equity	**$ 214,788,311**	**100**	**183,908,672**	**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, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	**Net revenue** (notes 6(x), 7 and 14)	319,005,456	100	277,112,477	100
5000	**Cost of revenue** (notes 6(e), (h), (i), (k), (p), (q) & (s), 7 and 12)	(281,814,400)	(88)	(246,992,862)	(89)
	Gross profit	37,191,056	12	30,119,615	11
	Operating expenses (notes 6(d), (h), (i), (j), (k), (p), (q), (s), (v), (y), 7 and 12):				
6100	Selling expenses	(15,492,033)	(5)	(14,397,099)	(5)
6200	General and administrative expenses	(5,002,271)	(2)	(4,632,802)	(2)
6300	Research and development expenses	(2,646,170)	(1)	(2,382,649)	(1)
	Total operating expenses	(23,140,474)	(8)	(21,412,550)	(8)
6500	**Other operating income and expenses, net** (notes 6(r) & (z) and 7)	112,279	-	228,773	-
	Operating income	14,162,861	4	8,935,838	3
	Non-operating income and loss:				
7100	Interest income (note 6(aa))	318,945	-	315,460	-
7010	Other income (note 6(aa))	354,416	-	243,073	-
7020	Other gains and losses (notes 6(aa) and 7)	867,673	-	(437,479)	-
7050	Finance costs (notes 6(p) & (aa))	(336,677)	-	(155,301)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(f))	68,427	-	3,512	-
	Total non-operating income and loss	1,272,784	-	(30,735)	-
7900	**Income before taxes**	15,435,645	4	8,905,103	3
7950	**Income tax expense** (note 6(t))	(4,148,332)	(1)	(2,759,493)	(1)
	Net income	11,287,313	3	6,145,610	2
	Other comprehensive income (loss) (notes 6(f), (u), (ab)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	(37,137)	-	37,203	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(358,717)	-	635,743	-
8320	Share of other comprehensive income of associates	17	-	42	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	39,131	-	162	-
	Total items that will not be reclassified to profit or loss	(356,706)	-	673,150	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(2,788,067)	(1)	(1,841,430)	-
8370	Share of other comprehensive gains (losses) of associates	2,166	-	(3,271)	-
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	(2,785,901)	(1)	(1,844,701)	-
	Other comprehensive income (loss), net of taxes	(3,142,607)	(1)	(1,171,551)	-
	Total comprehensive income for the year	$ **8,144,706**	**2**	**4,974,059**	**2**
	Net income (loss) attributable to:				
8610	Shareholders of the Parent	$ 10,897,427	3	6,029,287	2
8620	Non-controlling interests	389,886	-	116,323	-
		$ **11,287,313**	**3**	**6,145,610**	**2**
	Total comprehensive income (loss) attributable to:				
8710	Shareholders of the Parent	$ 7,818,893	2	4,850,535	2
8720	Non-controlling interests	325,813	-	123,524	-
		$ **8,144,706**	**2**	**4,974,059**	**2**
	Earnings per share (in New Taiwan dollars) (note 6(w)):				
9750	Basic earnings per share	$	**3.63**		**2.01**
9850	Diluted earnings per share	$	**3.60**		**1.99**

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent													
			Retained earnings				Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 30,749,338	28,152,962	587,602	2,940,572	2,668,082	6,196,256	(4,187,394)	133,070	(287,903)	(4,342,227)	(2,914,856)	57,841,473	1,353,766	59,195,239
Net income for the year	-	-	-	-	6,029,287	6,029,287	-	-	-	-	-	6,029,287	116,323	6,145,610
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,855,833)	632,065	45,016	(1,178,752)	-	(1,178,752)	7,201	(1,171,551)
Total comprehensive income (loss) for the year	-	-	-	-	6,029,287	6,029,287	(1,855,833)	632,065	45,016	(1,178,752)	-	4,850,535	123,524	4,974,059
Appropriation approved by the stockholders:														
Legal reserve	-	-	266,250	-	(266,250)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,035,693	(1,035,693)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,352,971)	(1,352,971)	-	-	-	-	-	(1,352,971)	-	(1,352,971)
Cash distributed from capital surplus	-	(1,014,728)	-	-	-	-	-	-	-	-	-	(1,014,728)	-	(1,014,728)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,416	-	-	-	-	-	-	-	-	-	36,416	-	36,416
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(361,943)	(361,943)	-	(361,943)
Retirement of treasury stock	(270,800)	(91,143)	-	-	-	-	-	-	-	-	361,943	-	-	-
Share of changes in equity of associates	-	76,443	-	-	-	-	-	-	-	-	-	76,443	33,556	109,999
Change in ownership interests in subsidiaries	-	43,604	-	-	-	-	-	-	-	-	-	43,604	(43,604)	-
Acquisition and disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	301,669	301,669
Difference between consideration and carrying amount of subsidiaries disposed	-	174,404	-	-	-	-	-	-	-	-	-	174,404	(174,404)	-
Stock option compensation cost of subsidiaries	-	110	-	-	-	-	-	-	-	-	-	110	71	181
Reorganization under common control	-	-	-	-	(12)	(12)	-	-	-	-	-	(12)	12	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	135,581	135,581
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(76,181)	(76,181)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(3,527)	(3,527)	-	3,527	-	3,527	-	-	(5,357)	(5,357)
Balance at December 31, 2020	30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,869,033	(6,043,227)	768,662	(242,887)	(5,517,452)	(2,914,856)	60,293,331	1,648,633	61,941,964
Net income for the year	-	-	-	-	10,897,427	10,897,427	-	-	-	-	-	10,897,427	389,886	11,287,313
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,766,226)	(324,225)	11,917	(3,078,534)	-	(3,078,534)	(64,073)	(3,142,607)
Total comprehensive income (loss) for the year	-	-	-	-	10,897,427	10,897,427	(2,766,226)	(324,225)	11,917	(3,078,534)	-	7,818,893	325,813	8,144,706
Appropriation approved by the stockholders:														
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)	(37,414)	(62,322)
Changes in ownership interests in subsidiaries	-	60,105	-	-	-	-	3,856	(6,544)	2,760	72	-	60,177	(60,177)	-
Acquisition and disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	53,032	53,032
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	29,880	-	-	-	-	-	-	-	-	-	29,880	(29,880)	-
Stock option compensation cost of subsidiaries	-	1,005	-	-	-	-	-	-	-	-	-	1,005	699	1,704
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	249,470	249,470
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	337,722	337,722
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(141,671)	(141,671)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(308,290)	(308,290)	-	308,290	-	308,290	-	-	-	-
Balance at December 31, 2021	**$ 30,478,538**	**27,514,269**	**1,456,427**	**4,833,750**	**10,596,212**	**16,886,389**	**(8,805,597)**	**746,183**	**(228,210)**	**(8,287,624)**	**(2,914,856)**	**63,676,716**	**2,346,227**	**66,022,943**

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before income tax	$ 15,435,645	8,905,103
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,022,560	1,078,156
Amortization	492,670	573,592
Net gain on financial assets measured at fair value through profit or loss	(30,094)	(4,930)
Interest expense	336,677	155,301
Net gain on disposal of investments accounted for using the equity method	(47,815)	-
Interest income	(318,945)	(315,460)
Dividend income	(354,416)	(243,073)
Share-based compensation cost	1,704	181
Share of profit of associates and joint ventures	(68,427)	(3,512)
Loss (gain) on disposal of equipment and intangible assets	8,252	(2,713)
Net gain on disposal of investment property	(1,141)	-
Property, plant and equipment reclassified to expenses	917	-
Intangible assets reclassified to expenses	-	6,806
Acquisition of financial asset by contribution of technical know-how	-	(17,421)
Gain on liquidation of subsidiaries and other investments	(3,068)	(902)
Total adjustments for profit or loss	1,038,874	1,226,025
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(1,744,184)	960,364
Contract assets	63,015	(93,487)
Notes and accounts receivable	(8,283,499)	(5,716,202)
Receivables from related parties	30,990	13,782
Inventories	(15,317,842)	(1,968,800)
Other receivables and other current assets	268,860	384,523
Other non-current assets	(16,406)	(5,429)
Changes in operating assets	(24,999,066)	(6,425,249)
Changes in operating liabilities:		
Contract liabilities	198,239	602,249
Notes and accounts payable	8,138,491	14,181,820
Other payables and other current liabilities	7,158,143	5,252,540
Provisions	622,044	995,189
Refund liabilities	1,052,018	2,633,421
Other non-current liabilities	(11,505)	155,044
Changes in operating liabilities	17,157,430	23,820,263
Cash provided by operations	8,632,883	27,526,142
Interest received	318,103	319,923
Income taxes paid	(2,453,171)	(355,523)
Net cash flows provided by operating activities	6,497,815	27,490,542

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(2,234,039)	(356,940)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	178,648	458
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	2,845	2,746
Purchase of financial assets measured at fair value through profit or loss	-	(4,748,217)
Proceeds from disposal of financial assets measured at fair value through profit or loss	2,849,874	267,856
Proceeds from disposal of investments accounted for using equity method	-	(2,991)
Additions to property, plant and equipment and investment property	(552,937)	(327,885)
Proceeds from disposal of property, plant and equipment	10,260	70,735
Proceeds from disposal of investment property	18,497	-
Additions to intangible assets	(373,199)	(217,927)
Net cash flow from disposal of subsidiaries and other investments	2,872	31
Net cash received from acquisition of subsidiaries	154,958	-
Increase in assets recognized from costs to fulfill contracts with customers	(364,440)	(266,927)
Decrease (increase) in other non-current financial assets	(130,914)	43,007
Dividends received	416,584	282,517
Net cash flows used in investing activities	(20,991)	(5,253,537)
Cash flows from financing activities:		
Increase in short-term borrowings	3,070,574	5,507,521
Decrease in short-term borrowings	(3,664,124)	(5,911,621)
Proceeds from issuing bonds	10,000,000	-
Increase in long-term debt	64,510	79,771
Repayment of long-term debt	(3,349,490)	(2,515,061)
Payment of lease liabilities	(679,795)	(693,094)
Cash dividends	(4,501,662)	(1,332,162)
Cash distributed from capital surplus	-	(999,121)
Purchase of treasury stock	-	(361,943)
Cash dividends paid to non-controlling interests by subsidiaries	(141,671)	(76,181)
Issuance of common stock by subsidiaries not subscribed by the Group	337,722	135,581
Acquisition of ownership to interests in subsidiaries	(22,736)	-
Proceeds from disposal of interests in subsidiaries (without losing control)	75,768	301,669
Interest paid	(294,441)	(145,572)
Net cash flows provided by (used in) financing activities	894,655	(6,010,213)
Effect of foreign exchange rate changes	(1,932,961)	(1,230,101)
Net increase in cash and cash equivalents	5,438,518	14,996,691
Cash and cash equivalents at beginning of period	39,181,023	24,184,332
Cash and cash equivalents at end of period	$ **44,619,541**	**39,181,023**

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

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

1. Organization and business

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

The Company and its subsidiaries (the “Group”) primarily engages in the marketing and sale of brand-name IT products, as well as providing electronic information services to its clients. The Group aims at the integrated applications of Internet of Things (IoT) and service-oriented technology to provide more products and integrated applications combining software, hardware and service for consumer and commercial markets.

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 16, 2022.

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

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment－Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4. Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized as follows and have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The Group's accompanying consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (the "Regulations") and the IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (collectively as "Taiwan-IFRSs").

(b) Basis of preparation

(i) Basis of measurement

The accompanying consolidated financial statements have been prepared on a historical cost basis except for the following items:

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

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Group's consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. Except when otherwise indicated, all financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The accompanying consolidated financial statements incorporate the financial statements of the Company and its controlled entities (the subsidiaries) in which the Company is exposed, or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions, balances and resulting unrealized income and loss are eliminated on consolidation. Total comprehensive income (loss) of a subsidiary is attributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, financial statements of subsidiaries are adjusted to align the accounting policies with those adopted by the Company.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss, which is calculated as the difference between (1) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost, and (2) the previous carrying amount of the former subsidiary's assets (including goodwill), liabilities and non-controlling interest at the date when the Group loses control. All amounts recognized in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets and liabilities.

The fair value of any investment retained in a former subsidiary at the date when control is lost is regarded as the cost on initial recognition of a financial asset measured at fair value through other comprehensive income or an investment in an associate.

(ii) List of subsidiaries included in the consolidated financial statements

			Percentage of Ownership	
Name of Investor	**Name of Investee**	**Main Business and Products**	**December 31, 2021**	**December 31, 2020**
AHI	Acer Market Services Limited ("AMS", Hong Kong)	Investment and holding activity	100.00 %	100.00 %
AHI	Acer Computer (Far East) Limited ("AFE", Hong Kong)	Sale of brand-name IT products	100.00 %	100.00 %
AMS	Acer Information (Zhong Shan) Co., Ltd. ("AIZS", China)	Sale of brand-name IT products	100.00 %	100.00 %
AMS	Acer Computer (Shanghai) Ltd. ("ACCN", China)	Sale of brand-name IT products	100.00 %	100.00 %
AMS	Acer (Chongqing) Ltd. ("ACCQ", China)	Sale of brand-name IT products	100.00 %	100.00 %
The Company	Acer European Holdings SA ("AEH", Switzerland)	Investment and holding activity	100.00 %	100.00 %
AEH	Acer Europe B.V. ("AHN", the Netherlands)	Investment and holding activity	100.00 %	100.00 %
AEH	Acer Computer (M.E.) Limited ("AME", British Virgin Islands	Sale of brand-name IT products	-	100.00 %
AEH	)Acer Africa (Proprietary) Limited ("AAF", South Africa)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %
AEH	AGP Insurance (Guernsey) Limited ("AGU", Guernsey)	Insurance captive	100.00 %	100.00 %
AEH	Acer Sales International SA ("ASIN", Switzerland)	Sale of brand-name IT products	100.00 %	100.00 %
AEH	Acer Europe SA ("AEG", Switzerland)	Sale of brand-name IT products	100.00 %	100.00 %
AEH	Sertec 360 SA ("SER", Switzerland)	Repair and maintenance of IT products	100.00 %	100.00 %
AHN	Acer Computer France S.A.S.U. ("ACF", France)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	Acer U.K. Limited ("AUK", the United Kingdom)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	Acer Italy S.R.L. ("AIT", Italy)	Sale of brand-name IT products	100.00 %	100.00 %

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020
AHN	Acer Computer GmbH (“ACG”, Germany)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	Acer Austria GmbH (“ACV”, Austria)	Marketing of brand-name IT products	100.00 %	100.00 %
AHN	Acer Czech Republic S.R.O. (“ACZ”, Czech Republic)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %
AHN	Acer Computer Iberica, S.A. (“AIB”, Spain)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	Acer Computer (Switzerland) AG (“ASZ”, Switzerland)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	Asplex Sp. z.o.o. (“APX”, Poland)	Repair and maintenance of brand-name IT products	100.00 %	100.00 %
AHN	Acer Marketing Services LLC (“ARU”, Russia)	Marketing of brand-name IT products	100.00 %	100.00 %
AHN	Acer Poland sp. z.o.o. (“APL”, Poland)	Marketing of brand-name IT products	100.00 %	100.00 %
AHN	Acer Bilisim Teknolojileri Limited Sirketi (“ATR”, Turkey)	Marketing of brand-name IT products	100.00 %	100.00 %
AHN	Acer Computer B.V. (“ACH”, the Netherlands)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	CPYou B.V. (“CPY”, the Netherlands)	Sale of brand-name IT products	100.00 %	100.00 %
AHN	Enfinitec B.V. (“ENNL”, the Netherlands)	Repair and management of IT products	100.00 %	-
AHN	Enfinitec Italy S.R.L (“ENIT”, Italy)	Repair and management of IT products	100.00 %	-
ACH	Acer Computer Norway AS (“ACN”, Norway)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %
ACH	Acer Computer Finland Oy (“AFN”, Finland)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %
ACH	Acer Computer Sweden AB (“ACW”, Sweden)	Marketing of brand-name IT products	100.00 %	100.00 %
ACH	Acer Denmark A/S (“ACD”, Denmark)	Marketing of brand-name IT products	100.00 %	100.00 %
The Company and AEH	Boardwalk Capital Holdings Limited (“Boardwalk”, British Virgin Islands)	Investment and holding activity	100.00 %	100.00 %
Boardwalk	Acer Computec Mexico, S.A. de C.V. (“AMEX”, Mexico)	Sale of brand-name IT products	99.95 %	99.95 %
Boardwalk	Acer American Holdings Corp. (“AAH”, U.S.A.)	Investment and holding activity	100.00 %	100.00 %
Boardwalk	AGP Tecnologia em Informatica do Brasil Ltda. (“ATB”, Brazil)	Sale of brand-name IT products	100.00 %	100.00 %
AMEX	Aurion Tecnologia, S.A. de C.V. (“Aurion”, Mexico)	Service company	-	99.95 %
AAH	Acer Cloud Technology Inc. (“ACTI”, U.S.A.)	Investment and holding activity	100.00 %	100.00 %
ACTI	Acer Cloud Technology (US), Inc. (“ACTUS”, U.S.A.)	Cloud technology service and research, development, and design of IoT platform	100.00 %	100.00 %
AAH	Gateway, Inc. (“GWI”, U.S.A.)	Investment and holding activity	100.00 %	100.00 %

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020
GWI	Acer America Corporation ("AAC", U.S.A.)	Sale of brand-name IT products	100.00 %	100.00 %
GWI	Acer Service Corporation ("ASC", U.S.A.)	Repair and maintenance of brand-name IT products	100.00 %	100.00 %
The Company	Acer Holdings International, Incorporated ("AHI", British Virgin Islands)	Investment and holding activity	100.00 %	100.00 %
AHI	Acer Computer Co., Ltd. ("ATH", Thailand)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Japan Corp. ("AJC", Japan)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Computer Australia Pty. Limited ("ACA", Australia)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Sales and Services SDN BHD ("ASSB", Malaysia)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Asia Pacific Sdn Bhd ("AAPH", Malaysia)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Computer (Singapore) Pte. Ltd. ("ACS", Singapore)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Computer New Zealand Limited ("ACNZ", New Zealand)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	PT. Acer Indonesia ("AIN", Indonesia)	Sale of brand-name IT products	100.00 %	100.00 %
AIN	PT. Acer Manufacturing Indonesia ("AMI", Indonesia)	Assembly of brand-name IT products	100.00 %	100.00 %
AHI	Acer India Private Limited ("AIL", India)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Infotech Pvt Ltd. ("AIP", India)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Vietnam Co., Ltd. ("AVN", Vietnam)	Sale of brand-name IT products	100.00 %	100.00 %
AHI	Acer Philippines, Inc. ("APHI", Philippines)	Sale of brand-name IT products	100.00 %	100.00 %
ASSB	Servex (Malaysia) Sdn Bhd ("SMA", Malaysia)	Sale of computers and communication products	100.00 %	100.00 %
The Company	Weblink International Inc. ("WLII", Taiwan)	Sale of computers and communication products	58.93 %	65.32 %
WLII	Wellife Inc. ("WELL", Taiwan)	Sales of 3C products and home appliances	58.93 %	65.32 %
WLII	Pecer Bio-medical Technology Incorporated ("PBT", Taiwan)	Sale of health supplements and biotech service	44.20 %	48.99 %
WLII	Protrade Global Limited ("PGL", Cayman Islands)	Investment and holding activity	30.05 %	-
PGL	Snoqualmie Company Ltd. ("SCL", British Virgin Islands)	Investment and holding activity	30.05 %	-
PGL	Protrade Asia Limited ("PAL", British Virgin Islands)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	30.05 %	-
PGL	Dakota Co, Ltd. ("DCL", Samoa)	Investment and holding activity	30.05 %	-

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020
PGL	Cascadia Resources Inc. ("CRI", U.S.A.)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	30.05 %	-
SCL	Portrade Applied Materials Corp. ("PAM", Taiwan)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	30.05 %	-
DCL	Protrade Shanghai Trading Co., Ltd. ("PST", China)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	30.05 %	-
PAM	Protrade Resources Vietnam Company Limited ("PRV", Vietnam)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	30.05 %	-
The Company	Acer Synergy Tech Corp. ("AST", Taiwan)	System integration service	52.00 %	52.00 %
AST	Shanghai AST Technology Service Ltd. ("ASTS", China)	System integration service	52.00 %	52.00 %
AST	ISU Service Corp. ("ISU", Taiwan)	Human resources and project service	52.00 %	52.00 %
AST	Acer Synergy Tech America Corporation ("ASTA", U.S.A.)	System integration service	52.00 %	-
The Company	Acer Digital Service Co. ("ADSC", Taiwan)	Investment and holding activity	100.00 %	100.00 %
ADSC	Acer Property Development Inc. ("APDI", Taiwan)	Solar optronics business	100.00 %	100.00 %
ADSC	Aspire Service & Development Inc. ("ASDI", Taiwan)	Hotel management service	100.00 %	100.00 %
The Company and ADSC	Acer Gaming Inc. ("AGM", Taiwan)	Agency of video game console and peripherals	100.00 %	100.00 %
The Company	Cross Century Investment Limited ("CCI", Taiwan)	Investment and holding activity	100.00 %	100.00 %
The Company	Acer SoftCapital Incorporated ("ASCBVI", British Virgin Islands)	Investment and holding activity	100.00 %	100.00 %
ASCBVI	DropZone Holding Limited ("DZH", Cayman Islands)	Investment and holding activity	100.00 %	100.00 %
DZH	DropZone (Hong Kong) Limited ("DZL", Hong Kong)	Operation and maintenance of eSports platform	100.00 %	100.00 %
The Company	Acer Gadget Inc. ("AGT", Taiwan)(Formerly E-ten Information System Co., Ltd.)	Research, design and sale of smart handheld products and peripheral 3C products	100.00 %	100.00 %
The Company	Acer BeingWare Holding Inc. ("ABH", Taiwan)	Investment and holding activity	100.00 %	100.00 %
ABH	Acer Cloud Technology (Taiwan) Inc. ("ACTTW", Taiwan)	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	100.00 %	100.00 %

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020
ABH	Altos Computing Inc. (“ALT”, Taiwan)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	86.59 %
ABH	MPS Energy Inc. (“MPS”, Taiwan)	Research, development, and sale of batteries	100.00 %	100.00 %
ABH	Acer e-Enabling Service Business Inc. (“AEB”, Taiwan)	Providing solutions of cloud and digitalization	72.44 %	72.44 %
ABH	Acer ITS Inc. (“ITS”, Taiwan)	Programs and services of intelligent transportation and electronic ticketing	94.41 %	94.41 %
ABH	Acer Medical Inc. (“AMED”, Taiwan)	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	60.83 %	100.00 %
ALT	Beijing Altos Computing Ltd. (“BJAC”, China)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	86.59 %
ACTTW	Acer Cloud Technology (Chongqing) Ltd. (“ACTCQ”, China)	Design, development, sale, and advisory of computer software and hardware	100.00 %	100.00 %
ACTTW and ABH	Acer Being Communication Inc. (“ABC”, Taiwan)	Software design service	100.00 %	100.00 %
ACTTW	Acer Being Signage Inc. (“ABST”, Taiwan)	Technical service and research of aBeing cloud digital content management	100.00 %	100.00 %
ABST	Acer Being Signage GmbH (“ABSG”, Germany)	Technical service and research of aBeing cloud digital content management	100.00 %	100.00 %
ABH	Xplova Inc. (“XPL”, Taiwan)	Design, development and sale of smart bicycle speedometer	100.00 %	100.00 %
ABH	Acer AI Cloud Inc. (“AIC”, Taiwan) (Formerly Pawbo Inc.)	Providing cloud technology and solutions	100.00 %	100.00 %
XPL	Xplova (Shanghai) Ltd. (“XPLSH”, China)	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	100.00 %	100.00 %
The Company	Acer Cyber Security Incorporated (“ACSI”, Taiwan)	Cyber security service	64.54 %	64.54 %
ACSI	ACSI Cyber Security Academy Inc. (“ACAD”, Taiwan)	Cyber security training	64.54 %	-
The Company	Acer China Venture Corp (“ACVC”, China)	Fund company management	100.00 %	100.00 %

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020
The Company and ACVC	Acer China Venture Partnership (“ACVP”, China)	Investment fund	100.00 %	100.00 %
The Company	Acer e-Enabling Data Center Incorporated (“EDC”, Taiwan)	Data center and cloud services	100.00 %	100.00 %
ABH and EDC	Acer Third Wave Software (Beijing) Co. Ltd. (“TWPBJ”, China)	Sale of commercial and cloud application software and technical service	100.00 %	100.00 %
The Company	Sertec (Beijing) Ltd. (“SEB”, China)	Repair and maintenance of IT products	100.00 %	100.00 %
The Company	StarVR Corporation (“ASBZ”, Taiwan)	Solutions provider of B2B virtual reality	66.81 %	66.80 %
ASBZ	StarVR Europe SA (“VRE”, Switzerland)	Research of solutions to B2B virtual reality	66.81 %	66.80 %
The Company	AOPEN Inc. (“AOI”, Taiwan)	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	40.55 %	40.55 %
AOI	AOPEN America Inc. (“AOA”, U.S.A.)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOI	AOPEN Computer B.V. (“AOE”, the Netherlands)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOI	AOPEN Technology Inc. (“AOTH”, British Virgin Islands)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOI	AOPEN Japan Inc. (“AOJ”, Japan)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOI	Aopen SmartVision Incorporated (“AOSV”, Taiwan)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOI	Heartware Alliance and Integration Limited (“HTW”, Hong Kong)	Software development and agency	40.55 %	40.55 %
AOI	AOPEN Global Solutions Pty Ltd. (“AOGS”, Australia)	Sale of computer, apparatus system, and peripheral equipment	28.39 %	28.39 %
AOI	AOPEN SmartView Incorporated (“AOSD”, Taiwan)	Sale of display devices	40.55 %	32.44 %
AOTH	Great Connection LTD. (“GCL”, Hong Kong)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOTH	AOPEN International (ShangHai) Co., Ltd (“AOC”, China)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %
AOTH	AOPEN Information Products (Zhongshan) Inc. (“AOZ”, China)	Manufacture and sale of computer parts and components	40.55 %	40.55 %
AOGS	AOPEN Australia & New Zealand Pty Ltd (“AOAU”, Australia)	Sale of computer, apparatus system, and peripheral equipment	28.39 %	28.39 %

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2021	Percentage of Ownership December 31, 2020
The Company and AOI	Bluechip Infotech Pty Ltd. (“Bluechip”, Australia)	Sale of computer peripherals and software system	32.67 %	39.69 %
Bluechip	Bluechip Infotech Incorporated (“BLI”, Taiwan)	Sale of computer peripherals and software system	32.67 %	39.69 %
Bluechip	Dingo Tech Pty Ltd. (“DTP”, Australia)	Investment and holding activity	32.67 %	-
DTP	Digital Networks Australia Pty Ltd. (“DNA”, Australia)	Sales of peripheral computer software	32.67 %	-
DNA	Ingeniq Pty Ltd. (“IGP”, Australia)	Sales of peripheral computer software	32.67 %	-
Bluechip	Bluechip Infotech (NZ) Limited (“BLNZ”,New Zealand)	Investment and holding activity	100.00 %	-
BLNZ	Soft Solutions Limited (“SSL”, New Zealand)	Sales of peripheral computer software	60.00 %	-
The Company	GadgeTek Inc. (“GTI”, Taiwan)	Sale of peripheral 3C products	-	83.64 %
AGT and GTI	GadgeTek (Shanghai) Limited (“GCN”, China)	Sale of peripheral 3C products	100.00 %	83.64 %
The Company	Highpoint Service Network Corporation (“HSNC”, Taiwan)	Repair and maintenance of IT products	66.27 %	92.54 %
HSNC	Highpoint Service Network (Thailand) Co., Ltd (“HSNT”, Thailand)	Repair and maintenance of IT products	66.27 %	92.54 %
HSNC	Highpoint Service Network Vietnam Company Limited (“HSNV”, Vietnam)	Repair and maintenance of IT products	66.27 %	-
HSNC	PT HSN Tech Indonesia (“HSNI”, Indonesia)	Repair and maintenance of IT products	66.27 %	92.54 %
HSNC	HighPoint Service Network Sdn Bhd (“HSN”, Malaysia)	Repair and maintenance of IT products	66.27 %	92.54 %
HSNC	Highpoint Services Network Philippines, Inc. (“HSNP”, Philippines)	Repair and maintenance of IT products	66.27 %	92.54 %
The Company	AcerPure Inc. (“API”, Taiwan)	Intelligent solutions of air quality	100.00 %	100.00 %
The Company	Acer Asset Management Incorporated (“AAM”, Taiwan)	Property held and related management business	100.00 %	-

ENNL, ENIT, ASTA, DTP, DNA, IGP, HSNV, BLNZ, SSL, AAM and ACAD were newly established subsidiaries or were acquired during 2021. AURION was merged into AMEX in the second quarter of 2021. GTI was merged into AGT in the second quarter of 2021. CPY, BLI, PBT and AGM were newly established subsidiaries during 2020.

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WLII formerly owned 19% of ownership of PGL and its subsidiaries (PGL Group). On June 1, 2021, WLII acquired additional 32% of ownership of PGL Group and obtained control over PGL Group; therefore, the financial statements of PGL Group were included in the consolidated financial statements since then.

AME was liquidated in the third quarter of 2021 and was excluded from the accompanying consolidated financial statements since the date the control ceased.

Although the Group did not own more than half of the voting rights of Bluechip, the Group owns more than half of Bluechip's total number of directors; therefore, it is determined that the Group has control over Bluechip. Hence, the financial statements of Bluechip and its subsidiaries were included in the consolidated financial statements.

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

Cash consists of cash on hand, checking deposits and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

(g) Financial instruments

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

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(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method, less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets measured at fair value through other comprehensive income

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

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

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

(Continued)

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

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

3) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

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

3) Treasury stock

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

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

The Group designates certain derivative instruments as either fair value hedges or cash flow hedges. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows or fair value of the hedged item and hedging instrument are expected to offset each other.

1) Fair value hedge

Changes in the fair value of a hedging instrument that is qualified as a fair value hedge are recognized in profit or loss (or other comprehensive income, if the hedged item is an equity instrument measured at FVOCI).

2) Cash flow hedge

When a derivative is designated and qualified as a cash flow hedging instrument, the effective portion of changes in the fair value is recognized in other comprehensive income and accumulated in "other equity —gains (losses) on hedging instruments", and is limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the same periods when the hedged item is recognized in profit or loss, and are included in the same account in the statements of comprehensive income as the hedged item.

(h) Inventories

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

(i) Investments accounted for using the equity method

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

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

(Continued)

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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

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

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

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

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

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

(Continued)

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment property

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

(iii) Subsequent costs

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

(iv) Depreciation

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

Land is not depreciated. The estimated useful lives of property, plant and equipment are as follows: buildings－main structure - 30 to 50 years; air-conditioning system - 10 years; other equipment pertaining to buildings - 20 years; computer and communication equipment - 2 to 5 years; other equipment - 3 to 10 years.

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

(Continued)

(k) Investment property

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

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

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

(l) Leases

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

(i) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Group's assessment on whether it will exercise an option to purchase the underlying asset, or;
- there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications in lease subject, scope of the lease or other terms.

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

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

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

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

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

(ii) As a lessor

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

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

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

(m) Intangible assets

(i) Goodwill

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

(ii) Trademarks

Trademarks acquired in a business combination are measured at fair value at the acquisition date. Subsequent to the initial recognition, trademarks with definite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives of 7 years. Trademarks with indefinite useful lives are carried at cost less any accumulated impairment losses and are tested for impairment annually. The useful life of an intangible asset not subject to amortization is reviewed annually at each financial year-end to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Any change in the useful life assessment from indefinite to definite is accounted for as a change in accounting estimate.

(iii) Other intangible assets

Other separately acquired intangible assets are carried at cost or fair value at the acquisition date, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the following estimated useful lives: customer relationships - 7 to 10 years; developed technology - 10 years; channel resources - 8.8 years; developing technology - 15 years; patents - 4 to 15 years; acquired software - 1 to 3 years.

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

(Continued)

(n) Impairment of non-financial assets

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

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

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

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

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

(o) Provisions

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

(i) Warranties

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

(ii) Others

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

(Continued)

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

Some subsidiaries of the Group grant their customers the right to return the products within 90 days. Therefore, they reduce revenue by the amount of expected returns and recognize a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns at the time of sale. At each reporting date, the Group reassesses the estimated amount of expected returns.

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

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

2) Revenue from service rendered

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

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

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

3) Financing components

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

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

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

(Continued)

2) Assets recognized from costs to fulfill contracts with customers

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

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

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

(q) Government grant

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

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

Government grant is recorded in other operating income and expenses.

(r) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

(Continued)

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

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

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

(iii) Short-term employee benefits

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

(s) Share-based payment

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

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

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

(t) Income taxes

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

(Continued)

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

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
(iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

   1) the same taxable entity; or

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

(u) Business combinations

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

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

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

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

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

(v) Earnings per share (“EPS”)

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

(Continued)

(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker, who decides on the allocation of resources to the segment and assesses its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated financial statements in conformity with the Regulations and Taiwan-IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in the future periods affected.

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

(a) Revenue recognition (accrual of sales return and allowance)

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

(b) Valuation of inventory

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

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

(c) Impairment of goodwill

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

(Continued)

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6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 4,205	4,151
Bank deposits	36,351,659	27,397,795
Time deposits	8,263,677	11,779,077
	$ 44,619,541	**39,181,023**

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

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	$ 680,128	203,213
Non-derivative financial assets		
Stocks listed on foreign markets	1,754	2,160
Open-end funds	2,540,986	5,635,730
	$ 3,222,868	**5,841,103**
Financial liabilities held for trading:		
Derivatives－Foreign currency forward contracts	$ (259,225)	(1,526,494)
Financial liabilities measured at fair value through profit or loss:		
Contingent consideration arising from business combinations (note 6(g))	(35,758)	-
	$ (294,983)	**(1,526,494)**
Current	$ (291,917)	(1,526,494)
Non-current	(3,066)	-
	$ (294,983)	**(1,526,494)**

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

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

(i) Foreign currency forward contracts

December 31, 2021			
Contract amount (in thousands)		Currency	Maturity period
USD	119,159	AUD / USD	2022/01~2022/06
USD	685	AUD / NTD	2022/02~2022/03
USD	28,051	EUR / CHF	2022/01~2022/05
USD	11,626	EUR / NOK	2022/01~2022/05
USD	18,185	EUR / SEK	2022/01~2022/06
USD	533,740	EUR / USD	2022/01~2022/05
USD	1,279	EUR / NTD	2022/01~2022/03
USD	73,745	EUR / PLN	2022/01~2022/06
USD	110,801	GBP / USD	2022/01~2022/05
USD	10,494	NZD / USD	2022/01~2022/05
USD	58,479	USD / CAD	2022/01~2022/02
USD	8,200	USD / CLP	2022/01
USD	60,000	USD / CNY	2022/01~2022/04
USD	70,800	USD / IDR	2022/01~2022/04
USD	229,969	USD / INR	2022/01~2022/06
USD	31,917	USD / JPY	2022/01~2022/08
USD	16,700	USD / MXN	2022/01~2022/03
USD	30,500	USD / MYR	2022/01~2022/03
USD	584,224	USD / NTD	2022/01~2022/11
USD	19,600	USD / PHP	2022/01~2022/03
USD	105,197	USD / RUB	2022/01~2022/04
USD	20,000	USD / SGD	2022/01~2022/05
USD	98,000	USD / THB	2022/01~2022/03

(Continued)

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December 31, 2020					
Contract amount (in thousands)		Currency			Maturity period
USD	79,182	AUD	/	USD	2021/01~2021/05
USD	295	EUR	/	DKK	2021/01
USD	583	EUR	/	CHF	2021/01~2021/05
USD	10,951	EUR	/	NOK	2021/01~2021/07
USD	14,127	EUR	/	SEK	2021/01~2021/06
USD	362,602	EUR	/	USD	2021/01~2021/05
USD	1,325	EUR	/	NTD	2021/01~2021/02
USD	48,129	EUR	/	PLN	2021/01~2021/05
USD	166,755	GBP	/	USD	2021/01~2021/09
USD	12,570	NZD	/	USD	2021/01~2021/05
USD	81,374	USD	/	CAD	2021/01~2021/04
USD	54,200	USD	/	CLP	2021/03~2021/07
USD	27,000	USD	/	CNY	2021/01~2021/02
USD	19,500	USD	/	COP	2021/01~2021/03
USD	15,000	USD	/	IDR	2021/01~2021/02
USD	129,105	USD	/	INR	2021/01~2021/07
USD	146,869	USD	/	JPY	2021/01~2021/07
USD	32,800	USD	/	MXN	2021/01~2021/05
USD	20,500	USD	/	MYR	2021/01~2021/02
USD	591,550	USD	/	NTD	2021/01
USD	9,600	USD	/	PHP	2021/01~2021/03
USD	72,577	USD	/	RUB	2021/01~2021/05
USD	10,000	USD	/	SGD	2021/01~2021/03
USD	42,000	USD	/	THB	2021/01~2021/03

(Continued)

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(c) Financial assets measured at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Equity investments measured at fair value through other comprehensive income		
Domestic listed stock	$ 7,064,857	5,096,859
Unlisted stock	741,845	1,111,551
	$ 7,806,702	**6,208,410**
Current	$ -	98,818
Non-current	7,806,702	6,109,592
	$ 7,806,702	**6,208,410**

The Group designated the investments shown above as financial assets measured at fair value through other comprehensive income (FVOCI) because these equity instruments are held for long-term strategic purposes and not for trading.

Certain financial assets measured at FVOCI were disposed of in 2021 and 2020. The realized loss accumulated in other comprehensive income of $308,290 and $3,527 have been reclassified from other equity to retained earnings.

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

	December 31, 2021	December 31, 2020
Notes receivable	$ 213,707	262,143
Accounts receivable	63,946,493	55,099,972
Less: loss allowance	(120,763)	(192,005)
	64,039,437	55,170,110
Accounts receivable from related parties (note 7(b))	1,329	27,419
	$ 64,040,766	**55,197,529**

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

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 59,972,724	0.09%	(56,097)
Past due 1-30 days	3,550,650	0.48%	(16,893)
Past due 31-60 days	441,709	1.62%	(7,155)
Past due 61-90 days	81,506	10.31%	(8,400)
Past due 91-180 days	63,545	11.06%	(7,025)
Past due 181 days or over	50,066	50.32%	(25,193)
	$ 64,160,200		**(120,763)**

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 51,479,322	0.17%	(88,984)
Past due 1-30 days	3,143,828	0.54%	(16,861)
Past due 31-60 days	337,786	9.59%	(32,387)
Past due 61-90 days	249,456	3.07%	(7,662)
Past due 91-180 days	104,135	18.83%	(19,605)
Past due 181 days or over	47,588	55.70%	(26,506)
	$ 55,362,115		**(192,005)**

As of December 31, 2021 and 2020, no expected credit losses was provided for accounts receivable from related parties after management's assessment.

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

	2021	2020
Balance at January 1	$ 192,005	136,322
Impairment losses recognized (reversal of impairment loss)	(35,070)	67,865
Acquisition through business combination	6,911	-
Write-off	(35,458)	(11,511)
Effect of exchange rate changes	(7,625)	(671)
Balance at December 31	**$ 120,763**	**192,005**

The Group entered into factoring agreements with financial institutions to sell its accounts receivable. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group derecognized the above accounts receivable as it has transferred substantially all of the risks and rewards of ownership of the accounts receivable, and it did not have any continuing involvement in them. The accounts receivable from the financial institutions were recognized as "other receivables" upon the derecognition of those accounts receivable. As of December 31, 2021 and 2020, the Group sold its accounts receivable without recourse as follows:

December 31, 2021

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
HSBC Bank	**$ 364,861**	**19,007**	**345,854**	**19,007**	**5.25%**	None

December 31, 2020

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
HSBC Bank	**$ 1,104,814**	**69,293**	**1,035,521**	**69,293**	**5.25%~8.20%**	None

(e) Inventories

	December 31, 2021	December 31, 2020
Raw materials	$ 15,676,331	13,279,411
Work in process	18,380	6,265
Finished goods and merchandise	22,188,155	13,798,158
Spare parts	1,073,057	842,860
Inventories in transit	19,747,904	15,056,738
	$ 58,703,827	**42,983,432**

For the years ended December 31, 2021 and 2020, the amounts of inventories recognized as cost of revenue were $255,560,066 and $219,979,248, respectively, of which $1,943,032 and $21,879, respectively, was the write-down of inventories to net realizable value.

(f) Investments accounted for using the equity method

A summary of the Group's investments in associates and joint ventures at the reporting date is as follows:

Name of Associates and Joint Ventures	December 31, 2021 Percentage of ownership	December 31, 2021 Carrying amount	December 31, 2020 Percentage of ownership	December 31, 2020 Carrying amount
Associates：				
GrandPad Inc. ("GrandPAD")	28.88	$ 169,885	29.17	187,339
Apex Material Technology Corp. ("AMTC")	7.01	317,106	8.14	352,098
Antung Trading Corporation ("ANT")	11.79	275,656	13.06	239,657
Meldcx Pty Ltd. ("MPL")	-	-	27.21	44,719
Others	-	102,881	-	95,181
Joint Ventures:				
Smart Frequency Technology Inc. ("SFT", note(i))	55.00	71,601	55.00	89,318
		$ 937,129		1,008,312

Note (i): According to the joint venture agreement with a third party, the Group and the other party have joint control over SFT. Accordingly, this investment is accounted for using the equity method.

AOI donated partial of its ownership interest in MPL, formerly an investment accounted for using the equity method, to Acer Foundation on August 30, 2021. Consequently, AOI's ownership interest in MPL decreased from 27.21% to 17.21% and lost significant influence over it. Therefore, AOI reclassified the investment to fair value through other comprehensive income (FVOCI) － non-current and recognized a gain on disposal of investment of $47,815, which was included in "other gains and losses" in the accompanying statements of comprehensive income.

Aggregated financial information on associates that were not individually material to the Group is summarized as follows:

	2021	2020
Attributable to the Group:		
Net income	$ 86,144	23,225
Other comprehensive income (loss)	2,183	(3,229)
Total comprehensive income	$ 88,327	19,996

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

		2021	2020
Attributable to the Group:			
Net loss	$	(17,717)	(19,713)
Other comprehensive income		-	-
Total comprehensive loss	$	(17,717)	(19,713)

(g) Acquisition of subsidiary

Information of significant acquisition of subsidiary in 2021 was as follows:

On June 1, 2021, WLII acquired 32% of ownership interest in Protrade Global Ltd. After the acquisition, WLII's interest in Protrade Global Ltd. increased from 19% to 51%, and therefore obtained control over it since then.

Protrade Global Ltd. and its subsidiaries (the “Protrade”) are mainly engaged in the global trade and distribution of synthetic rubber, plastics and related chemical products and raw materials as well as the logistic business. Although Protrade engages in different industry with WLII, they both involve in channel resources and platform industry. While WLII is developing “partnership economic” and cross-industry platform, it is expected to be benefited from the synergies of including Protrade as one of the important partners of the cross-industry alliance.

The purchase consideration, assets acquired and liabilities assumed at the acquisition date and goodwill recognized were as follows:

(i) Fair value of consideration transferred the acquisition date.

Cash	$	184,923
Contingent consideration		35,758
	$	220,681

According to the contingent consideration arrangements, the contingent consideration is estimated based on Protrade’s consolidated net income in 2021 and 2022 and the maximum amount of the contingent consideration does not exceed US$1,672. The potential undiscounted contingent payments to be paid by the Group ranges from US$0 to US$1,672.

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(ii) Identifiable assets acquired and liabilities assumed

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date (June 1, 2021).

Cash and cash equivalents	$ 373,961
Financial assets measured at fair value through profit or loss	46,504
Notes and accounts receivable, net	408,925
Other receivables	4,863
Inventories	404,619
Other current assets	380,392
Property, plant and equipment	134,224
Right-of-use assets	24,211
Intangible assets	183,663
Other non-current assets	7,909
Short-term borrowings	(827,234)
Contract liabilities	(162,464)
Notes and accounts payable	(175,947)
Other payables	(450,656)
Current income tax liabilities	(5,607)
Other current liabilities	(397)
Lease liabilities－non-current	(24,503)
Other non-current liabilities	(976)
Fair value of identifiable net assets	**$ 321,487**

(iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows.

Consideration transferred	$ 220,681
Add: Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)	157,528
Fair value of pre-existing interest in the acquiree	96,068
Less: Fair value of identifiable net assets	(321,487)
Goodwill (reported under intangible assets)	**$ 152,790**

WLII remeasured the fair value of its pre-existing 19% ownership of Protrade at the acquisition date, resulting in a valuation loss of $56,915, which was accumulated in other equity. At the acquisition date, the related other comprehensive loss accumulated in other equity has been reclassified to retained earnings by WLII, and the Group reduced the retained earnings of $33,538 accordingly based on its ownership interest in WLII.

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Goodwill arising from the acquisition of Protrade is mainly due to value of workforce. It is expected to be benefited from the synergies of cross-industry alliance between Protrade and the Group. None of the goodwill recognized is expected to be deductible for tax purposes.

(iv) Pro forma information

From the acquisition date to December 31, 2021, Protrade contributed revenue of $3,279,739 and net income of $39,306 to the Group's operating results. If the acquisition had occurred on January 1, 2021, the management estimates that consolidated revenue would have been $320,987,875, and consolidated net income would have been $11,372,141.

(h) Property, plant and equipment

	Land	Buildings	Computer and communication equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:						
Balance at January 1, 2021	$ 1,873,139	4,390,547	4,342,028	2,884,783	6,304	13,496,801
Acquisition through business combination	103,224	35,644	11,403	17,866	-	168,137
Additions	4,690	42,277	135,544	133,572	236,410	552,493
Disposals	-	(2,237)	(2,891,334)	(287,864)	-	(3,181,435)
Reclassification to investment property	(122,442)	(256,771)	-	-	-	(379,213)
Other reclassification and effect of exchange rate changes	(16,904)	(43,009)	176,534	(178,665)	(208,087)	(270,131)
Balance at December 31, 2021	**$ 1,841,707**	**4,166,451**	**1,774,175**	**2,569,692**	**34,627**	**10,386,652**
Balance at January 1, 2020	$ 1,488,736	3,014,187	4,311,454	2,971,764	15,934	11,802,075
Additions	12,975	25,311	121,820	147,461	5,903	313,470
Disposals	(16,819)	(4,746)	(103,634)	(262,678)	-	(387,877)
Reclassification to investment property	441,384	1,347,361	-	-	-	1,788,745
Other reclassification and effect of exchange rate changes	(53,137)	8,434	12,388	28,236	(15,533)	(19,612)
Balance at December 31, 2020	**$ 1,873,139**	**4,390,547**	**4,342,028**	**2,884,783**	**6,304**	**13,496,801**
Accumulated depreciation and impairment loss:						
Balance at January 1, 2021	$ 320,633	3,036,852	4,037,151	2,236,256	-	9,630,892
Acquisition through business combination	-	7,544	7,701	9,643	-	24,888
Depreciation	-	57,688	122,762	139,538	-	319,988
Disposals	-	(2,237)	(2,888,047)	(272,639)	-	(3,162,923)
Reclassification to investment property	(41,210)	(240,832)	-	-	-	(282,042)
Other reclassification and effect of exchange rate changes	(546)	(34,985)	(32,076)	(132,414)	-	(200,021)
Balance at December 31, 2021	**$ 278,877**	**2,824,030**	**1,247,491**	**1,980,384**	**-**	**6,330,782**
Balance at January 1, 2020	$ 141,231	1,780,210	4,014,067	2,304,923	-	8,240,431
Depreciation	-	60,484	124,133	143,258	-	327,875
Disposals	-	-	(94,311)	(225,544)	-	(319,855)
Reclassification to investment property	178,856	1,188,216	-	-	-	1,367,072
Other reclassification and effect of exchange rate changes	546	7,942	(6,738)	13,619	-	15,369
Balance at December 31, 2020	**$ 320,633**	**3,036,852**	**4,037,151**	**2,236,256**	**-**	**9,630,892**

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ACER INCORPORATED AND SUBSIDIARIES
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	Land	Buildings	Computer and communication equipment	Other equipment	Construction in progress	Total
Carrying amounts:						
Balance at December 31, 2021	$ 1,562,830	1,342,421	526,684	589,308	34,627	4,055,870
Balance at December 31, 2020	$ 1,552,506	1,353,695	304,877	648,527	6,304	3,865,909

For certain land acquired, the ownership registration has not been transferred to the land acquirer, APDI, a subsidiary of the Company. To protect its interests, APDI has obtained signed deeds of assignment from the titleholders assigning all rights and obligations related to the land to APDI. Additionally, the land title certificates are held by APDI, and APDI has registered its liens thereon.

(i) Right-of-use assets

	Land	Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2021	$ 4,023	2,794,296	201,889	3,000,208
Acquisition through business combination	-	44,208	-	44,208
Additions	3,207	623,992	42,317	669,516
Disposals	-	(449,297)	(36,876)	(486,173)
Effect of exchange rates changes	(548)	(167,118)	(17,207)	(184,873)
Balance at December 31, 2021	**$ 6,682**	**2,846,081**	**190,123**	**3,042,886**
Balance at January 1, 2020	$ 4,612	2,456,713	157,328	2,618,653
Additions	3,898	609,300	96,808	710,006
Disposals	(4,610)	(250,972)	(51,834)	(307,416)
Effect of exchange rates changes	123	(20,745)	(413)	(21,035)
Balance at December 31, 2020	**$ 4,023**	**2,794,296**	**201,889**	**3,000,208**
Accumulated depreciation:				
Balance at January 1, 2021	$ 3,017	1,065,372	74,299	1,142,688
Acquisition through business combination	-	6,287	-	6,287
Depreciation	1,562	629,711	60,788	692,061
Disposals	-	(433,365)	(33,015)	(466,380)
Effect of exchange rates changes	(368)	(60,582)	(7,462)	(68,412)
Balance at December 31, 2021	**$ 4,211**	**1,207,423**	**94,610**	**1,306,244**
Balance at January 1, 2020	$ 3,690	615,604	51,016	670,310
Depreciation	3,845	666,786	64,744	735,375
Disposals	(4,610)	(208,937)	(40,852)	(254,399)
Effect of exchange rates changes	92	(8,081)	(609)	(8,598)
Balance at December 31, 2020	**$ 3,017**	**1,065,372**	**74,299**	**1,142,688**
Carrying amount:				
Balance at December 31, 2021	**$ 2,471**	**1,638,658**	**95,513**	**1,736,642**
Balance at December 31, 2020	**$ 1,006**	**1,728,924**	**127,590**	**1,857,520**

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(j) Investment property

	Land	Buildings	Total
Cost:			
Balance at January 1, 2021	$ 755,536	1,919,546	2,675,082
Additions	-	444	444
Disposals	(15,108)	(5,524)	(20,632)
Reclassification from property, plant and equipment	122,442	256,771	379,213
Balance at December 31, 2021	**$ 862,870**	**2,171,237**	**3,034,107**
Balance at January 1, 2020	$ 1,154,429	3,252,324	4,406,753
Additions	-	14,415	14,415
Reclassification from property, plant and equipment	(441,384)	(1,347,361)	(1,788,745)
Other reclassification	42,491	168	42,659
Balance at December 31, 2020	**$ 755,536**	**1,919,546**	**2,675,082**
Accumulated depreciation and impairment loss:			
Balance at January 1, 2021	$ 250,178	1,675,061	1,925,239
Depreciation	-	10,511	10,511
Disposals	-	(3,276)	(3,276)
Reclassification from property, plant and equipment	41,210	240,832	282,042
Balance at December 31, 2021	**$ 291,388**	**1,923,128**	**2,214,516**
Balance at January 1, 2020	$ 429,034	2,848,369	3,277,403
Depreciation	-	14,906	14,906
Reclassification from property, plant and equipment	(178,856)	(1,188,216)	(1,367,072)
Other reclassification	-	2	2
Balance at December 31, 2020	**$ 250,178**	**1,675,061**	**1,925,239**
Carrying amounts:			
Balance at December 31, 2021	**$ 571,482**	**248,109**	**819,591**
Balance at December 31, 2020	**$ 505,358**	**244,485**	**749,843**
Fair value:			
Balance at December 31, 2021			**$ 1,250,794**
Balance at December 31, 2020			**$ 1,155,897**

The fair value of the investment property is determined by referring to the market price of similar real estate transaction or the value in use of the investment property. The value in use is the present value of the future cash flows from continuous lease activities. On December 31, 2021 and 2020, the estimated discount rate used for calculating the present value of the future cash flows was 5.79% and 5.18%, respectively.

For certain land acquired, the ownership registration has not been transferred to the land acquirer, APDI, a subsidiary of the Company. To protect its interests, APDI has obtained signed deeds of assignment from the titleholders assigning all rights and obligations related to the land to APDI. Additionally, the land title certificates are held by APDI, and APDI has registered its liens thereon.

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(k) Intangible assets

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

	Goodwill	Trademarks and trade names	Others	Total
Net balance at January 1, 2021:				
Cost	$ 23,893,960	10,196,471	10,680,243	44,770,674
Accumulated amortization and impairment loss	(7,876,181)	(10,196,053)	(10,405,711)	(28,477,945)
Net balance at January 1, 2021	16,017,779	418	274,532	16,292,729
Additions	-	-	373,199	373,199
Acquisition through business combination	233,816	384	319,361	553,561
Reclassification	-	-	290	290
Amortization	-	(102)	(252,093)	(252,195)
Effect of exchange rate changes	(434,628)	(29)	(5,644)	(440,301)
Net balance at December 31, 2021	**$ 15,816,967**	**671**	**709,645**	**16,527,283**
Net balance at December 31, 2021:				
Cost	$ 23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss	(7,649,842)	(10,190,459)	(10,145,530)	(27,985,831)
	$ 15,816,967	**671**	**709,645**	**16,527,283**
Net balance at January 1, 2020:				
Cost	$ 24,896,516	10,173,952	10,764,512	45,834,980
Accumulated amortization and impairment loss	(8,299,165)	(10,173,475)	(10,432,268)	(28,904,908)
Net balance at January 1, 2020	16,597,351	477	332,244	16,930,072
Additions	-	-	217,927	217,927
Disposals	-	-	(6,806)	(6,806)
Amortization	-	(59)	(269,442)	(269,501)
Effect of exchange rate changes	(579,572)	-	609	(578,963)
Net balance at December 31,	**$ 16,017,779**	**418**	**274,532**	**16,292,729**
Net balance at December 31, :				
Cost	$ 23,893,960	10,196,471	10,680,243	44,770,674
Accumulated amortization and impairment loss	(7,876,181)	(10,196,053)	(10,405,711)	(28,477,945)
	$ 16,017,779	**418**	**274,532**	**16,292,729**

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

	2021	2020
Cost of revenue	$ 193,999	203,412
Operating expenses	58,196	66,089
	$ 252,195	**269,501**

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(ii) Impairment test on goodwill and other intangible assets

The carrying amounts of goodwill arising from business combinations and the respective CGUs to which the goodwill was allocated for impairment test purpose were as follows:

	RO-EMEA	RO-PA	RO-PAP	RO-China	Other CGUs without significant goodwill	Total
Balance at January 1, 2021	$ 9,240,816	1,469,709	3,018,281	2,271,251	17,722	16,017,779
Acquisition through business combination	-	-	-	-	233,816	233,816
Effect of exchange rate changes	(313,729)	(39,056)	(66,390)	(8,156)	(7,297)	(434,628)
Balance at December 31, 2021	**$ 8,927,087**	**1,430,653**	**2,951,891**	**2,263,095**	**244,241**	**15,816,967**
Balance at January 1, 2020	$ 9,629,261	1,546,007	3,147,343	2,257,018	17,722	16,597,351
Effect of exchange rate changes	(388,445)	(76,298)	(129,062)	14,233	-	(579,572)
Balance at December 31, 2020	**$ 9,240,816**	**1,469,709**	**3,018,281**	**2,271,251**	**17,722**	**16,017,779**

The recoverable amount of a CGU was determined based on the value in use, and the related key assumptions were as follows:

1) The cash flow projections were based on historical operating performance and future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using zero growth rate.

2) Discount rates used to determine the value in use for each CGU were as follows:

	RO-EMEA	RO-PA	RO-PAP	RO-China
December 31, 2021	16.9 %	13.5 %	19.2 %	20.3 %
December 31, 2020	17.1 %	9.6 %	18.5 %	21.4 %

The estimation of discount rate is based on the weighted-average cost of capital.

Based on the impairment assessments conducted in 2021 and 2020, no impairment losses were recognized as the recoverable amount of CGUs were higher than their carrying amounts.

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(l) Other current assets and other non-current assets

(i) Other current assets

	December 31, 2021	December 31, 2020
Overpaid VAT retained for offsetting against future tax payable	$ 1,861,817	2,913,593
Advance on procurement	264,014	101,521
Other prepayments	494,004	616,528
Right to goods to be returned	332,990	318,481
Other financial assets	80,000	-
Others	31,675	56,570
	$ 3,064,500	**4,006,693**

(ii) Other non-current assets

	December 31, 2021	December 31, 2020
Overpaid VAT retained for offsetting against future tax payable	$ 1,141,805	-
Prepaid income tax	1,524,891	1,619,759
Other prepayments	37,862	49,579
Assets recognized from costs to fulfill contracts with customers	168,997	27,226
Others	69,511	51,995
	$ 2,943,066	**1,748,559**

(m) Short-term borrowings

	December 31, 2021	December 31, 2020
Short-term notes payable	$ 99,994	99,883
Unsecured bank loans	1,127,830	900,393
Secured bank loans	25,766	28,841
	$ 1,253,590	**1,029,117**
Unused credit facilities	**$ 32,391,741**	**33,097,762**
Interest rate	**0.70%~3.56%**	**0.89%~4.85%**

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

(Continued)

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(n) Long-term debt

Type of Loan	Creditor	Credit Line	Term	December 31, 2021	December 31, 2020
Unsecured loan	Bank of Taiwan	The term tranche of $4 billion may be withdrawn separately.	The interest is paid monthly starting September 2019. The principal will be repaid in lump sum amount when due in September 2022. Interest rate is adjusted quarterly. The principal was early repaid in May 2021.	$ -	3,300,000
Unsecured loan				23,141	69,347
Secured loan				96,785	43,868
				119,926	3,413,215
Less: current portion of long-term debt				(20,106)	(18,113)
				$ 99,820	**3,395,102**
Unused credit facilities				**$ 8,469,000**	**4,400,000**
Interest rate				**1.30%~3.36%**	**0.90%～3.43%**

No financial covenants were required for the unsecured loan agreements with Bank of Taiwan. Please refer to note 6(aa) for related interest expense with respect to the abovementioned bank loans.

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

(o) Bonds payable

	December 31, 2021	December 31, 2020
Unsecured bonds payable	$ 10,000,000	-

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

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(p) Lease liabilities

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

	December 31, 2021	December 31, 2020
Current	$ 530,564	602,656
Non-current	$ 1,320,713	1,353,697

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

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

	2021	2020
Interest on lease liabilities	$ 36,338	44,364
Variable lease payments not included in the measurement of lease liabilities	$ 56,516	35,872
Expenses relating to short-term leases	$ 40,448	21,815
Expenses relating to leases of low-value assets	$ 3,492	2,202

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

	2021	2020
Total cash outflow for leases	$ 816,589	797,347

(iv) Major terms of leases

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

(q) Provisions

	Warranties	Litigation	Restructuring	Environmental protection and others	Total
Balance at January 1, 2021	$ 5,492,122	254,386	6,476	228,281	5,981,265
Additions	4,639,198	42,679	-	146,486	4,828,363
Amount utilized and reversed	(3,701,976)	(1,892)	(6,443)	(119,223)	(3,829,534)
Effect of exchange rate changes	(348,754)	(12,480)	(33)	(15,518)	(376,785)
Balance at December 31, 2021	$ 6,080,590	282,693	-	240,026	6,603,309
Current	$ 5,893,893	282,693	-	225,073	6,401,659
Non-current	186,697	-	-	14,953	201,650
	$ 6,080,590	282,693	-	240,026	6,603,309

	Warranties	Litigation	Restructuring	Environmental protection and others	Total
Balance at January 1, 2020	$ 4,520,180	249,935	33,255	182,706	4,986,076
Additions	5,029,285	29,400	-	168,389	5,227,074
Amount utilized and reversed	(4,002,954)	(14,524)	(26,622)	(124,788)	(4,168,888)
Effect of exchange rate changes	(54,389)	(10,425)	(157)	1,974	(62,997)
Balance at December 31, 2020	**$ 5,492,122**	**254,386**	**6,476**	**228,281**	**5,981,265**
Current	$ 5,492,122	253,039	6,476	196,507	5,948,144
Non-current	-	1,347	-	31,774	33,121
	$ 5,492,122	**254,386**	**6,476**	**228,281**	**5,981,265**

(i) Warranties

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

(ii) Litigation

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

(iii) Restructuring

One of subsidiaries underwent an operational optimization and organizational downsizing in response to the change of international trade environment and other factors and restructuring provision and cost was recognized accordingly. The provision was mainly for employee termination benefits and relocation costs of machinery equipment. The related expenses were reported in other expenses under operating expenses in the accompanying statements of comprehensive income.

(iv) Environmental protection and others

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

(r) Operating lease

The Group leases its investment and operating properties to others. The Group has classified these leases as operating leases as it does not transfer substantially all the risks and rewards incidental to ownership of the assets to lessees. Please refer to note 6(j) for the information of investment property.

(Continued)

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

	December 31, 2021	December 31, 2020
Less than 1 year	$ 91,256	100,335
1 year to 2 years	50,860	76,478
2 years to 3 years	36,291	38,187
3 years to 4 years	21,360	28,503
4 years to 5 years	17,488	19,165
Over 5 years	44,747	61,934
Total undiscounted lease payments	**$ 262,002**	**324,602**

In 2021 and 2020, the rental income from investment property amounting to $89,327 and $83,335, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized and included in operating expense were as follows:

	2021	2020
Arising from investment property that generated rental income during the period	$ 34,756	40,879
Arising from investment property that did not generate rental income during the period	11,957	25,798
	$ 46,713	**66,677**

(s) Employee benefits

(i) Defined benefit plans

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

	December 31, 2021	December 31, 2020
Present value of benefit obligations	$ 2,980,785	3,111,815
Fair value of plan assets	(1,112,882)	(1,227,479)
Net defined benefit liabilities (reported under other non-current liabilities)	**$ 1,867,903**	**1,884,336**

	December 31, 2021	December 31, 2020
Present value of benefit obligations	$ 66,518	100,571
Fair value of plan assets	(115,826)	(128,461)
Net defined benefit assets (reported under other non-current assets)	**$ (49,308)**	**(27,890)**

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

Foreign subsidiaries, including AJC, ATH, AIN, AMI, AIL, APHI, AEG, ASZ, AIT, ACF, ASIN, AEH, SER, AOJ, HSNI, HSNP and HSNT, also have defined benefit pension plans based on their respective local laws and regulations.

1) Composition of plan assets

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

Foreign subsidiaries with defined benefit pension plans make pension contributions to pension management institutions in accordance with their respective local regulations.

As of December 31, 2021 and 2020, the Group's fair value of plan assets, by major categories, was as follows:

	December 31, 2021	December 31, 2020
Cash	$ 466,440	580,991
Equity instruments	444,883	430,772
Instruments with fixed return	85,958	105,047
Real estate	231,427	239,130
	$ 1,228,708	**1,355,940**

Cash includes the labor pension fund assets. For information on the domestic labor pension fund assets (including the asset portfolio and yield of the fund), please refer to the website of the Bureau of Labor Funds.

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2) Movements in present value of the defined benefit obligations

	2021	2020
Defined benefit obligations at January 1	$ 3,212,386	2,993,549
Current service costs	233,367	230,484
Interest expense	17,408	22,965
Remeasurement on the net defined benefit liabilities (assets):		
Actuarial loss (gain) arising from experience adjustments	35,476	(15,264)
Actuarial loss (gain) arising from changes in demographic assumption	(58,786)	(682)
Actuarial loss (gain) arising from changes in financial assumption	70,889	13,143
Benefits paid by the Group and the plan	(189,572)	(121,653)
Past service costs and settlement loss (gain)	(116,372)	4,067
Settlement	(54,505)	-
Contributions by plan participants	25,282	5,093
Effect of exchange rate changes	(128,270)	80,684
Defined benefit obligations at December 31	**$ 3,047,303**	**3,212,386**

3) Movements in fair value of plan assets

	2021	2020
Fair value of plan assets at January 1	$ 1,355,940	1,255,419
Interest income	5,407	8,658
Remeasurement on the net defined benefit liabilities (assets):		
Return on plan assets (excluding amounts included in net interest expense)	10,442	34,400
Benefits paid by the plan	(174,285)	(105,028)
Contributions by plan participants	25,282	5,093
Contributions by the employer	117,094	116,081
Loss on curtailment	(64,367)	(8,089)
Effect of exchange rate changes	(46,805)	49,406
Fair value of plan assets at December 31	**$ 1,228,708**	**1,355,940**

4) Changes in the effect of the asset ceiling

In 2021 and 2020, there was no effect of the asset ceiling.

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5) Expenses recognized in profit or loss

	2021	2020
Current service costs	$ 233,367	230,484
Net interest expense	12,001	14,307
Past service costs and settlement loss (gain)	(116,372)	4,067
Loss on curtailment	64,367	8,089
	$ 193,363	**256,947**
Classified under cost of revenue	$ 522	530
Classified under operating expense	192,841	256,417
	$ 193,363	**256,947**

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.15%~6.94%	0.15%~7.00%
Future salary increases rate	2.00%~6.00%	2.00%~6.00%

The weighted-average duration of the defined benefit plans ranges from 4 years to 26 years. The Group expects to make contribution of $107,573 to the defined benefit plans in the year following December 31, 2021.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions for each measurement date, including discount rates and future salary changes. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation.

	December 31, 2021		December 31, 2020	
	0.25% Increase	0.25% Decrease	0.25% Increase	0.25% Decrease
Discount rate	$ (118,564)	132,939	(132,568)	142,956
Future salary change	$ 56,274	(50,329)	63,285	(66,443)

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

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(ii) Defined contribution plans

The Company and its domestic subsidiaries contribute monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance. Foreign subsidiaries make contributions in compliance with their respective local regulations.

For the years ended December 31, 2021 and 2020, the Group recognized pension expenses of $378,604 and $321,798, respectively, in relation to the defined contribution plans.

(t) Income taxes

(i) Income tax returns of the Group are filed individually by each entity and not on a combined basis. The Company and its subsidiaries incorporated in the R.O.C. are subject to R.O.C. income tax at a rate of 20% for fiscal years 2021 and 2020. Foreign subsidiaries are subject to income tax in accordance with their respective local tax law and regulations. The components of income tax expense were as follows:

	2021	2020
Current income tax expense		
Current period	$ 3,709,640	2,621,208
Adjustments for prior years	538,476	42,443
	4,248,116	2,663,651
Deferred tax expense		
Origination and reversal of temporary differences	(14,281)	(592,711)
Change in unrecognized deductible temporary differences	(85,503)	688,553
	(99,784)	95,842
Income tax expense	**$ 4,148,332**	**2,759,493**

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

	2021	2020
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	**$ 39,131**	**162**

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

	2021	2020
Income before taxes	$ **15,435,645**	**8,905,103**
Income tax using the Company's statutory tax rate	$ 3,087,129	1,781,021
Effect of different tax rates in foreign jurisdictions	1,381,200	169,523
Adjustments for prior-year income tax expense	538,476	42,443
Change in unrecognized temporary differences and tax losses	(85,503)	688,553
Others	(772,970)	77,953
	$ **4,148,332**	**2,759,493**

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	December 31, 2021	December 31, 2020
Tax losses	$ 3,635,014	4,439,009
Loss associated with investments in subsidiaries	2,337,741	2,591,465
Deductible temporary differences	3,774,575	3,287,129
	$ **9,747,330**	**10,317,603**

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

Each entity in the Group is entitled to use tax losses to offset future taxable income in accordance with the respective local tax regulations of each jurisdiction. As of December 31, 2021, the tax effects of unused tax losses and the respective expiry years were as follows:

Tax effects of tax losses	Year of expiry
$ 108,729	2022
240,977	2023
24,825	2024
9,562	2025
3,250,921	2026 and thereafter
$ **3,635,014**	

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2) Unrecognized deferred income tax liabilities

	December 31, 2021	December 31, 2020
Net profits associated with investments in subsidiaries	$ 1,634,001	2,118,771

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

3) Recognized deferred income tax assets and liabilities

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

Deferred income tax assets:

	Inventory	Accrued expenses and provisions	Unused tax loss carryforwards	Others	Total
Balance at January 1, 2021	$ 150,531	2,114,416	38,640	177,189	2,480,776
Recognized in profit or loss	15,820	1,139,271	2,434	30,976	1,188,501
Recognized in other comprehensive income	-	-	-	39,131	39,131
Effect of exchange rate changes	-	-	-	(36,774)	(36,774)
Balance at December 31, 2021	**$ 166,351**	**3,253,687**	**41,074**	**210,522**	**3,671,634**
Balance at January 1, 2020	$ 166,497	1,156,264	62,464	166,570	1,551,795
Recognized in profit or loss	(15,966)	958,152	(23,824)	14,956	933,318
Recognized in other comprehensive income	-	-	-	162	162
Effect of exchange rate changes	-	-	-	(4,499)	(4,499)
Balance at December 31, 2020	**$ 150,531**	**2,114,416**	**38,640**	**177,189**	**2,480,776**

Deferred income tax liabilities:

	Unremitted earnings from subsidiaries	Unrealized foreign exchange gain on financial instruments	Intangible assets	Others	Total
Balance at January 1, 2021	$ 2,927,543	288,959	300,750	37,861	3,555,113
Recognized in profit or loss	905,285	185,893	(767)	(1,694)	1,088,717
Balance at December 31, 2021	**$ 3,832,828**	**474,852**	**299,983**	**36,167**	**4,643,830**
Balance at January 1, 2020	$ 2,104,835	141,430	244,406	35,282	2,525,953
Recognized in profit or loss	822,708	147,529	56,344	2,579	1,029,160
Balance at December 31, 2020	**$ 2,927,543**	**288,959**	**300,750**	**37,861**	**3,555,113**

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(iii) No income tax expense was recognized directly in equity in 2021 and 2020.

(iv) The Company's income tax returns for the years through 2019 were examined and approved by the R.O.C. income tax authorities.

(u) Capital and other equity

(i) Common stock

As of December 31, 2021 and 2020, the Company had issued 5,707 thousand units and 5,850 thousand units, respectively, of global depository receipts (GDRs). The GDRs were listed on the London Stock Exchange, and each GDR represents five common shares.

As of December 31, 2021 and 2020, the Company's authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,845 thousands shares were issued. The par value of the Company's common stock is $10 per share. All issued shares were paid up upon issuance.

Certain shares of common stock were not outstanding as they were repurchased by the Company or held by the Company's subsidiaries. The movements in outstanding shares of common stock were as follows (in thousands of shares):

	2021	2020
Balance at January 1	3,001,108	3,028,188
Repurchased and retirement of treasury stock	-	(27,080)
Balance at December 31	**3,001,108**	**3,001,108**

(ii) Capital surplus

	December 31, 2021	December 31, 2020
Paid-in capital in excess of par value	$ 10,086,648	10,086,648
Surplus from mergers	15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend	621,975	551,856
Difference between consideration and carrying amount of subsidiaries acquired or disposed	247,301	217,421
Employee share options	90,000	90,000
Surplus from equity-method investments	671,100	634,898
	$ 27,514,269	**27,378,068**

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

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

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

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

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

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

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

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On March 17, 2021, the Company's Board of Directors approved the distribution of cash dividends amounting to $4,571,781 ($1.5 per share), of which $70,119 was distributed to the subsidiaries holding the Company's common shares. Additionally, on July 9, 2021, the Company's shareholders approved an appropriation of legal reserve and special reserve of $602,575 and $857,485, respectively.

On March 18, 2020, the Company's Board of Directors had approved the distribution of cash dividends amounting to $1,352,971 ($0.443909 per share), of which $20,809 was distributed to the subsidiaries holding the Company's common shares. Additionally, on June 12, 2020, the Company's shareholders approved an appropriation of legal reserve and special reserve of $266,250 and $1,035,693, respectively, as well as the distribution of cash deriving from the capital surplus of $1,014,728 ($0.332932 per share), of which $15,607 was distributed to the subsidiaries holding the Company's common shares.

On March 16, 2022, the Company's Board of Directors approved the distribution of cash dividends amounting to $6,949,107 ($2.28 per share), of which $106,582 was distributed to the subsidiaries holding the Company's common shares.

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

(iv) Treasury stock

According to Article 28-2 of the Securities and Exchange Act, the Company purchased its own common shares of 27,080 thousand shares for an aggregate amount of $361,943 from March 13, 2020 to May 5, 2020 in order to maintain the Company's credit and the shareholders' eguity. All such treasury stock was retired on September 28, 2020 and related legal and registration procedures have been completed.

As of December 31, 2021 and 2020, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary ASCBVI and the Company's common stock held by subsidiaries ASCBVI (to maintain the Company's shareholders' equity), CCI (to maintain the Company's shareholders' equity), and ETEN (resulting from the acquisition of ETEN) were as follows (expressed in thousands of shares):

	December 31, 2021		
	Number of shares	**Carrying amount**	**Market value**
Common stock	21,809	$ 945,239	664,084
GDRs	24,937	1,969,617	704,324
	46,746	**$ 2,914,856**	**1,368,408**

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	December 31, 2020		
	Number of shares	**Carrying amount**	**Market value**
Common stock	21,809	$ 945,239	515,783
GDRs	24,937	1,969,617	639,821
	46,746	**$ 2,914,856**	**1,155,604**

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

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	2021	**2020**
Balance at January 1	$ (6,043,227)	(4,187,394)
Foreign exchange differences arising from translation of foreign operations	(2,767,945)	(1,854,068)
Share of other comprehensive income (loss) of associates	1,719	(1,765)
Changes in ownership interests in subsidiaries	3,856	-
Balance at December 31	**$ (8,805,597)**	**(6,043,227)**

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

	2021	**2020**
Balance at January 1	$ 768,662	133,070
Change in fair value of financial assets measured at fair value through other comprehensive income	(324,225)	632,065
Net loss (gain) on disposal of financial assets measured at fair value through other comprehensive income	308,290	3,527
Changes in ownership interests in subsidiaries	(6,544)	-
Balance at December 31	**$ 746,183**	**768,662**

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3) Remeasurement of defined benefit plans:

	2021	2020
Balance at January 1	$ (242,887)	(287,903)
Change in the period	11,910	44,999
Share of other comprehensive income of associates	7	17
Changes in ownership interests in subsidiaries	2,760	-
Balance at December 31	**$ (228,210)**	**(242,887)**

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

	2021	2020
Balance at January 1	$ 1,648,633	1,353,766
Equity attributable to non-controlling interests:		
Net income for the year	389,886	116,323
Changes in ownership interests in subsidiaries	(60,177)	(43,604)
Acquisition and disposal of interests in subsidiaries	53,032	301,669
Difference between consideration and carrying amount of subsidiaries acquired or disposed	(29,880)	(174,404)
Stock option compensation cost of subsidairies	699	71
Acquisition of subsidiaries	249,470	-
Increase in non-controlling interests	337,722	135,581
Reorganization under common control	-	12
Cash dividends paid to non-controlling interests by subsidiaries	(141,671)	(76,181)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	(5,357)
Foreign currency translation differences	(20,122)	12,638
Unrealized gain from financial assets measured at fair value through other comprehensive income	(34,492)	3,678
Remeasurement of defined benefit plans	(9,916)	(7,634)
Changes in equity of investments in associates	(36,957)	32,075
Balance at December 31	**$ 2,346,227**	**1,648,633**

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(v) Share-based payment

(i) The Group's additional share-based payment arrangements in 2021 and 2020 were as follows:

Type of arrangement	Grant Date	Numbers of options granted (in thousands of shares)	Contract period	Vesting period
WLII – Issuance of new shares reserved for employee subscription	2021/3/17	1,174	2021/03/17~ 2021/03/19	2021/03/17~ 2021/03/19
ALT –ESOPs	2021/08/04	882	2021/08/04~ 2021/11/30	2021/08/04~ 2021/11/15
AST – Issuance of new shares reserved for employee subscription	2020/11/19	265	2020/11/19~ 2020/12/15	2020/11/19~ 2020/12/15

The Group used the Black-Scholes Model in measuring the fair value of its employee stock options. The main inputs to the valuation model were as follows:

	WLII – Issuance of new shares reserved for employee subscription	ALT – ESOPs	AST – Issuance of new shares reserved for employee subscription
Fair value of options granted (NT$/ share)	1.6	0.005013	0.68
Fair value of stock at grant date (NT$/ share)	26.63	7.41	56.38
Exercise price (NT$/ share)	25	10	60
Expected volatility (%)	21.08%	25.05%	32.08%
Expected life (in years)	0.0082	0.2849	0.07
Risk-free interest rate (%)	0.35%	0.1092%	0.15%

Expected volatility was determined based on the vesting period and historical volatility of the comparable companies. The risk-free interest rate was determined based on government bonds.

(ii) For the years ended December 31, 2021 and 2020, the compensation cost recognized for the abovemetioned share-based payment arrangements amounted to $1,704 and $181, respectively, which was reported in the operating expenses.

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(w) Earnings per share ("EPS")

(i) Basic earnings per share

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

	2021	2020
Net income attributable to the ordinary shareholders of the Parent	$ **10,897,427**	**6,029,287**
Weighted-average number of ordinary shares outstanding (in thousands)	**3,001,108**	**3,006,934**
Basic earnings per share (in New Taiwan dollars)	$ **3.63**	**2.01**

(ii) Diluted earnings per share

	2021	2020
Net income attributable to the ordinary shareholders of the Parent	$ **10,897,427**	**6,029,287**
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,108	3,006,934
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	27,180	22,460
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock)(in thousands)	**3,028,288**	**3,029,394**
Diluted earnings per share (in New Taiwan dollars)	$ **3.60**	**1.99**

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

	2021		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 106,690,873	-	106,690,873
Pan America	84,105,680	-	84,105,680
Asia Pacific	90,843,802	37,365,101	128,208,903
	$ **281,640,355**	**37,365,101**	**319,005,456**

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	2020		
	IT Hardware Products	Others	Total
Primary geographical markets:			
EMEA	$ 93,182,977	-	93,182,977
Pan America	84,864,378	-	84,864,378
Asia Pacific	69,560,940	29,504,182	99,065,122
	$ 247,608,295	29,504,182	277,112,477

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes and accounts receivable (including receivables from related parties)	$ 64,161,529	55,389,534	49,575,567
Less: loss allowance	(120,763)	(192,005)	(136,322)
	$ 64,040,766	55,197,529	49,439,245
Contract assets－current	$ 451,354	514,369	420,882
Contract liabilities－current	$ 2,455,504	2,269,409	1,832,271
Contract liabilities－non-current	$ 1,002,391	827,783	662,672

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

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

The amount of revenue recognized in 2021 and 2020 that was included in the contract liability balance at January 1, 2021 and 2020, was $1,160,024 and $908,376, respectively.

(y) Remuneration to employees and directors

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

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For the years ended December 31, 2021 and 2020, the Company accrued its remuneration to employees amounting to $720,000 and $480,000, respectively, and the remuneration for directors of $29,819 and $23,821, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors.

Except that the remuneration to directors for 2021 resolved by the Company’s Board of Directors on March 16, 2022 was $12,000 and that for 2020 resolved by the Company's Board of Directors on March 17, 2021 was $10,013, the aforementioned accrued remunerations to employees were the same as the amounts resolved by the Board of Directors, which were all paid in cash. The difference between accrual and actual payment, amounting to $17,819 and $13,808 for 2021 and 2020, respectively, is treated as change in accounting estimate and recognized in profit or loss in the following year.

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

(z) Other operating income and expenses – net

	2021	2020
Government grants	$ 5,555	133,403
Rental income	106,724	95,370
	$ 112,279	**228,773**

(aa) Non-operating income and loss

(i) Interest income

	2021	2020
Interest income from bank deposits	298,794	315,460
Other interest income	20,151	-
	$ 318,945	**315,460**

(ii) Other income

	2021	2020
Dividend income	**$ 354,416**	**243,073**

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(iii) Other gains and losses

	2021	2020
Foreign currency exchange gain	$ 398,307	1,558,854
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	346,083	(2,132,504)
Gain (loss) on disposal of equipment and intangible assets	(8,252)	2,713
Gain on disposal of investment property	1,141	-
Gain on disposal of investments accounted for using the equity method	47,815	-
Gain on liquidation of subsidiaries and other investments	3,068	902
Others	79,511	132,556
	$ 867,673	**(437,479)**

(iv) Finance costs

	2021	2020
Interest expense from bank loans and corporate bonds	$ 93,167	110,937
Interest expense on lease liabilities	36,338	44,364
Interest expense on cost of tax	207,172	-
	$ 336,677	**155,301**

(ab) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	December 31, 2021	December 31, 2020
Financial assets measured at fair value through profit or loss	$ 3,222,868	5,841,103
Financial assets measured at fair value through other comprehensive income	7,806,702	6,208,410
Financial assets measured at amortized cost:		
Cash and cash equivalents	44,619,541	39,181,023
Notes and accounts receivable and other receivables (including receivables from related parties)	64,546,680	55,745,545
Other financial assets – current (included in other current assets)	80,000	-
Other financial assets – non-current	1,195,156	1,058,956
	$ 121,470,947	**108,035,037**

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2) Financial liabilities

	December 31, 2021	December 31, 2020
Financial liabilities measured at fair value through profit or loss	$ 294,983	1,526,494
Financial liabilities measured at amortized cost:		
Short-term borrowings	1,253,590	1,029,117
Notes and accounts payable	57,897,697	49,405,634
Other payables	37,249,145	29,810,924
Lease liabilities (including current and non-current)	1,851,277	1,956,353
Bonds payable	10,000,000	-
Long-term debt (including current portion)	119,926	3,413,215
	$ 108,666,618	**87,141,737**

(ii) Fair value information

1) Financial instruments not measured at fair value

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

2) Financial instruments measured at fair value

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

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

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

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

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

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	December 31, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	680,128	-	680,128
Stocks listed on foreign markets	1,754	-	-	1,754
Funds	2,540,986	-	-	2,540,986
	$ 2,542,740	**680,128**	**-**	**3,222,868**
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 7,064,857	-	-	7,064,857
Unlisted stock	-	-	741,845	741,845
	$ 7,064,857	**-**	**741,845**	**7,806,702**
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	(259,225)	-	(259,225)
Contingent consideration arising from business combinations	-	-	(35,758)	(35,758)
	-	**(259,225)**	**(35,758)**	**(294,983)**

	December 31, 2020			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	203,213	-	203,213
Stocks listed on foreign markets	2,160	-	-	2,160
Funds	5,635,730	-	-	5,635,730
	$ 5,637,890	**203,213**	**-**	**5,841,103**
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 5,096,859	-	-	5,096,859
Unlisted stock	-	-	1,111,551	1,111,551
	$ 5,096,859	**-**	**1,111,551**	**6,208,410**
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	(1,526,494)	-	(1,526,494)
	-	**(1,526,494)**	**-**	**(1,526,494)**

There were no transfers among fair value hierarchies for the years ended December 31, 2021 and 2020.

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

	2021		2020
	Financial liabilities measured at fair value through profit or loss	**Financial assets measured at fair value through other comprehensive income**	**Financial assets measured at fair value through other comprehensive income**
Balance at January 1	$ -	1,111,551	1,304,346
Total gains or losses:			
Recognized in other comprehensive income	-	(295,230)	(158,042)
Additions	(35,758)	42,305	17,421
Disposals	-	(99,122)	(11,966)
Effect of exchange rate changes	-	(17,659)	(40,208)
Balance at December 31	**$ (35,758)**	**741,845**	**1,111,551**

The abovementioned total gains or losses were included in "other gains and losses" and "unrealized gain (loss) from financial assets measured at fair value through other comprehensive income", respectively. The gains or losses attributable to the financial assets held on December 31, 2021 and 2020 were as follows:

	2021	2020
Total gains or losses:		
Recognized in other comprehensive income (included in "unrealized gain (loss) from financial assets measured at fair value through other comprehensive income")	**$ (3,193)**	**(158,042)**

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

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

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

c) The fair value of unlisted stocks in Level 3 fair value hierarchy is estimated by using the market approach and is determined by reference to recent financing activities, valuations of similar companies, market conditions, and other economic indicators. The fair value of financial liabilities measured at fair value through profit or loss (contingent consideration arising from business combinations) is determined based on the discounted cash flow model.

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5) Quantitative information of significant unobservable inputs

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income	Comparable company valuation	Discount for lack of marketability (10%~30%)	The estimated fair value would decrease if the discount for lack of marketability was higher
Financial liabilities measured at fair value through profit or loss - Contingent consideration arising from business combinations	Discounted cash flow model	Discount rate (10.10% at December 31, 2021)	The estimated fair value would increase if the discount rate was lower

6) Fair value measurements in Level 3－ sensitivity analysis of reasonably possible alternative assumptions

The Group’ s measurement on the fair value of financial instruments may change if different valuation models or inputs are used. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on other comprehensive income:

			Net income or loss for current period		Other comprehensive income	
	Input	Change in assumptions	Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2021						
Financial assets measured at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	4,316	(4,316)
Financial liabilities measured at fair value through profit or loss:						
Contingent consideration arising from business combinations	Discount rate	0.5%	28	83	-	-
December 31, 2020						
Financial assets measured at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	9,584	(9,584)

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The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using a valuation technique. If the fair value of a financial instrument is subject to more than one inputs, the analysis above reflects only the effects of changes in a single input and does not include the interrelationship with another inputs.

(iii) Offsetting of financial assets and financial liabilities

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

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

December 31, 2021

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

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 108,372,011	44,332,574	64,039,437	-	-	64,039,437

December 31, 2021

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

	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	$ 102,230,271	44,332,574	57,897,697	-	-	57,897,697

December 31, 2020

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

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 95,427,457	40,257,347	55,170,110	-	-	55,170,110

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	December 31, 2020					
	Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements					
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	$ 89,662,981	40,257,347	49,405,634	-	-	49,405,634

(ac) Financial risk management

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

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

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

(i) Credit risk

1) The maximum exposure to credit risk

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

2) Concentration of credit risk

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

3) Credit risk from receivables

Please refer to note 6(d) for credit risk exposure of notes and accounts receivable.
Other financial assets measured at amortized cost include other receivables and time deposits (classified as other financial assets). Abovementioned financial assets are considered low-credit-risk financial assets, and thus, the loss allowance is measured using 12-months ECL. Please refer to note 4(g) for descriptions about how the Group determines the credit risk. As of December 31, 2021 and 2020, except for other receivables amounting to $40,291 and $40,996, respectively, for which the loss allowance was fully provided, no loss allowance was provided for the remaining receivables after management's assessment.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Group manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2021 and 2020, the Group had unused credit facilities of $40,860,741 and $37,497,762, respectively.

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

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	$ 1,256,984	1,256,984	-	-	-
Long-term debt carrying floating interest rates	125,834	23,666	70,789	31,379	-
Bonds payable carrying fixed interest rates	10,329,500	69,000	69,000	10,191,500	-
Notes and accounts payable	57,897,697	57,897,697	-	-	-
Other payables	37,249,145	34,899,022	2,330,465	19,658	-
Lease liability	1,935,847	558,646	396,855	667,616	312,730
	$ 108,795,007	**94,705,015**	**2,867,109**	**10,910,153**	**312,730**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross:					
Outflow	$ 78,556,507	78,556,507	-	-	-
Inflow	(78,866,935)	(78,866,935)	-	-	-
	$ (310,428)	**(310,428)**	**-**	**-**	**-**

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	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2020					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	$ 1,029,985	1,029,985	-	-	-
Long-term debt carrying floating interest rates	3,469,242	50,220	3,341,025	77,997	-
Notes and accounts payable	49,405,634	49,405,634	-	-	-
Other payables	29,810,924	27,696,792	2,094,176	19,956	-
Lease liability	2,056,634	636,765	400,249	589,440	430,180
	$ 85,772,419	**78,819,396**	**5,835,450**	**687,393**	**430,180**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross:					
Outflow	$ 80,301,700	80,301,700	-	-	-
Inflow	(78,941,067)	(78,941,067)	-	-	-
	$ 1,360,633	**1,360,633**	-	-	-

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

(iii) Market risk

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

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

1) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies used in these transactions are mainly the Euro (EUR), US dollar (USD), Indian Rupee (INR), Polish Zloty (PLN), Japanese Yen (JPY), Australian dollar (AUD), Russian Ruble (RUB), Great British Pound (GBP), etc.

The Group utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its forecast sales and purchases over the following 12 months.

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a) Exposure to foreign currency risk and sensitivity analysis

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

(in thousands)

	December 31, 2021				
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
Financial assets					
Monetary items					
EUR	$ 224,369	31.4835	7,063,921	1 %	70,639
USD	1,998,391	27.6900	55,335,447	1 %	553,354
INR	13,403,716	0.3725	4,992,884	1 %	49,929
PLN	558,313	6.8621	3,831,200	1 %	38,312
AUD	115,401	20.1112	2,320,853	1 %	23,209
RUB	6,058,373	0.3708	2,246,445	1 %	22,464
GBP	64,040	37.4701	2,399,585	1 %	23,996
Financial liabilities					
Monetary items					
EUR	34,702	31.4835	1,092,540	1 %	10,925
PLN	272,598	6.8621	1,870,595	1 %	18,706
USD	2,926,973	27.6900	81,047,882	1 %	810,479

(in thousands)

	December 31, 2020				
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
Financial assets					
Monetary items					
EUR	$ 71,197	34.8254	2,479,464	1 %	24,795
USD	1,467,653	28.5080	41,839,852	1 %	418,399
INR	7,102,905	0.3902	2,771,554	1 %	27,716
JPY	14,083,740	0.2761	3,888,521	1 %	38,885
PLN	301,547	7.6361	2,302,643	1 %	23,026
GBP	55,336	38.9704	2,156,466	1 %	21,565
Financial liabilities					
Monetary items					
PLN	152,423	7.6361	1,163,917	1 %	11,639
USD	2,279,170	28.5080	64,974,578	1 %	649,746

(Continued)

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With varieties of functional currencies within the consolidated entities of the Group, the Group disclosed net realized and unrealized foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(aa) for further information.

2) Interest rate risk

The Group’s short-term borrowings and long-term debt carry floating interest rates, and the Group has not entered into interest rate swap contracts to convert floating interest rates to fixed interest rates. To manage the interest rate risk, the Group periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period. The change in interest rate reported to the key management in the Group is based on 100 basis points (1%), which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate had been 100 basis points (1%) higher/lower with all other variables held constant, pre-tax income for the years ended December 31, 2021 and 2020 would have been $13,735 and $44,423, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

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

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2021 and 2020, would have increased or decreased by $390,335 and $310,421, respectively.

(ad) Capital management

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

(ae) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(i) for a description of acquisition of right-of-use assets through leases in 2021 and 2020.

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

			Non-cash changes			
	January 1, 2021	**Cash flows**	**Movement of leases**	**Business merger**	**Fluctuation of foreign exchange rate**	**December 31, 2021**
Long-term debt	$ 3,413,215	(3,284,980)	-	-	(8,309)	119,926
Short-term borrowings	1,029,117	(593,550)	-	827,287	(9,264)	1,253,590
Lease liabilities	1,956,353	(679,795)	649,723	38,331	(113,335)	1,851,277
Bonds payable	-	10,000,000	-	-	-	10,000,000
Total liabilities from financing activities	**$ 6,398,685**	**5,441,675**	**649,723**	**865,618**	**(130,908)**	**13,224,793**

			Non-cash changes		
	January 1, 2020	**Cash flows**	**Movement of leases**	**Fluctuation of foreign exchange rate**	**December 31, 2020**
Long-term debt	$ 5,843,815	(2,435,290)	-	4,690	3,413,215
Short-term borrowings	1,505,587	(404,100)	-	(72,370)	1,029,117
Lease liabilities	2,008,007	(693,094)	659,557	(18,117)	1,956,353
Total liabilities from financing activities	**$ 9,357,409**	**(3,532,484)**	**659,557**	**(85,797)**	**6,398,685**

7. Related-party transactions

(a) Related party name and categories

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

Name of related party	Relationship with the Group
Aegis Semiconductor Technology Inc.	Associates, liquidated on August 26th, 2021
GrandPad Inc.	Associates
Piovision International Inc.	Associates
ECOM Software Inc.	Associates
Kbest Technology Inc.	Associates
Meldcx Pty Ltd. (MPL)	Associates, before August 30th, 2021 (note)
Meldcx USA Inc.	Associates, before August 30th, 2021 (note)
Apex Material Technology Corp.	Associates
Antung Trading Corporation	Associates
Smart Frequency Technology Inc.	Joint venture
Other Related Parties:	
Erics Co., LTD	The entity’s chairman is the first-degree relatives of one of the key management of the Group
Acer Foundation	Substantive related party
Taurus Insterstellar Inc.	The entity’s chairman is the Company's director
Mu-Jin Investment Co., Ltd	Same chairman with the Group

Note:AOI donated partial of its ownership interest in MPL, formerly an investment accounted for using the equity method, to Acer Foundation on August 30, 2021. Consequently, AOI’s ownership interest in MPL decreased from 27.21% to 17.21% and lost significant influence over it. Therefore, AOI reclassified its investment to fair value through other comprehensive income (FVOCI) —non-current since then.

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(b) Significant related-party transactions

(i) Revenue

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

	2021	2020
Associates	$ 137,848	244,408
Joint venture	96	896
Other related parties	229	6,041
	$ 138,173	**251,345**

The sales prices with related parties are not comparable to those with third-party customers due to different product specifications. The credit terms ranged from 30 to 120 days, which were not significantly different from those with third-party customers. Receivables from related parties were uncollateralized.

(ii) Purchases

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

	2021	2020
Associates	**$ 2,693**	**2,324**

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

(iii) Operating expenses

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

Account	Related-party categories	2021	2020
Operating expense	Associates	$ 1,745	6,225
Operating expense	Other related parties	-	12,500
Other gians and losses	Other related parties	11,911	-
		$ 13,656	**18,725**

(iv) Lease

The Group leased its investment property and offices to related parties. The related rental income was included in “other operating income and expenses－net” and was summarized as follows:

	2021	2020
Associates	$ 2,623	2,491
Joint venture	2,584	1,668
Other related parties	83	78
	$ 5,290	4,237

(v) Service income

The service income related to the management consulting service provided to related parties was included in “other gains and losses” and was summarized as follows:

	2021	2020
Associates	$ 48	48
Joint venture	3,223	3,223
Other related parties	165	19
	$ 3,436	3,290

(vi) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories	December 31, 2021	December 31, 2020
Accounts receivable	Associates	$ 1,221	27,316
Accounts receivable	Joint venture	92	103
Accounts receivable	Other related parties	16	-
Other receivables	Associates	10	4,678
Other receivables	Joint venture	294	297
Other receivables	Other related parties	173	20
		$ 1,806	32,414

(vii) Payables to related parties

The payables to related parties were as follows:

Account	Related party categories	December 31, 2021	December 31, 2020
Accounts payable	Associates	$ 89	144
Other payables	Associates	-	936
Other payables	Other related parties	12,500	25,000
		$ 12,589	**26,080**

(c) Compensation for key management personnel

	2021	2020
Short-term employee benefits	$ 540,826	426,431
Post-employment benefits	7,905	24,440
	$ 548,731	**450,871**

8. Pledged assets

The carrying values of pledged assets were as follows:

Assets	Pledged to secure	December 31, 2021	December 31, 2020
Cash in bank, time deposits and refundable deposits (reported under other financial assets－non-current)	Contract bidding, security for letters of credit, project fulfillment, import tariffs, lease guarantee, etc.	$ 1,126,674	1,009,030
Bluechip’s assets	Short-term and long-term loans	824,536	788,964
		$ 1,951,210	**1,797,994**

9. Significant commitments and contingencies

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

(b) An American company has filed a lawsuit against Acer for violating confidential agreement and trade secret. The Group had appointed outside counsel to handle the case. The lawsuit is still in progress. However, the Group has recognized the litigation provisions based on the development of the aforesaid lawsuit. The management foresees no immediate material adverse effect on the Group' s business operations and finance.

(c) In the ordinary course of its business from time to time, the Group received notices from third parties asserting that Acer has infringed certain patents and demanded that Acer should obtain certain patent licenses. Although the Group does not expect that the outcome of any of these legal proceedings (individually or collectively) will have a material adverse effect on the Group's business operations and finance, the litigation is inherently unpredictable. Therefore, the Group could incur judgments or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

(d) The Group faces various taxation challenges around the world due to rapid changes in international tax environment. The Group held different position with various local tax authorities for certain tax audits and has provided the accruals for the cases (including but not limited to income taxes, withholding taxes and business taxes) that met the criteria for recognizing a provision. Nevertheless, the tax disputes are inherently complicated and may take years to be approved by the tax authorities. The ultimate result is unpredictable and could adversely affect the Group's operating results or cash flows in a particular period.

(e) As of December 31, 2021 and 2020, the Company had outstanding stand-by letters of credit provided by the banks totaling $6,720 and $14,227, respectively, for purposes of bids and contracts.

(f) As of December 31, 2021 and 2020, the Group had issued promissory notes amounting to $40,314,183 and $39,557,254, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

11. Significant subsequent events:

The Group was exposed to the risk of recoverability of accounts receivables from customers in Russia and Ukraine due to the conflict between Russia and Ukraine occurred in the end of February 2022. As of March 16, 2022, the exposure of accounts receivable arising from revenue recognized in 2021 amounted to $1,032,000 approximately. The Group initially assessed that some of such accounts receivable might be impaired as they might not be recovered. The Group has proactively managed to ensure the above-mentioned accounts receivable will be collected, and evaluated any ways to reduce the potential impairment loss such as insurance claim and other safeguard actions. The impairment loss of accounts receivable could not be estimated certainly at this stage as the conflict situation is still evolving. The impairment loss of accounts receivable in respect of the above-mentioned conflict, if any, will be recognized in 2022.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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12. Others

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

	2021			2020		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	1,276,896	10,911,880	12,188,776	1,123,968	9,421,925	10,545,893
Insurance	188,775	1,042,580	1,231,355	163,768	987,142	1,150,910
Pension	34,213	537,754	571,967	33,894	544,851	578,745
Others	109,360	799,820	909,180	74,762	761,920	836,682
Depreciation	188,272	834,288	1,022,560	173,810	904,346	1,078,156
Amortization	428,323	64,347	492,670	503,095	70,497	573,592

13. Additional disclosures

(a) Information on significant transactions:

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

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

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

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

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

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

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

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

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

(x) Business relationships and significant intercompany transactions: See Table 7 attached;

(b) Information on investees: See Table 8 attached;

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investees, share of profits (losses) of investees, ending balance, amount received as earnings distributions from the investment, and limitation on investment: See Table 9 attached;

(ii) Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: For the Group’s significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2021, please refer to “Information on significant transactions” and “Business relationships and significant intercompany transactions” above.

(d) Major shareholders:

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

14. Segment information

(a) General information

The Group’s reportable segments comprise the device business group (“IT Hardware Products”) and other business groups. The IT Hardware Products engages mainly in the research, design, and marketing of personal computers, IT products, and tablet products. Other business groups, which do not meet the quantitative reporting threshold, mainly engage in the activities of e-commerce, cloud services, sales and distribution of smart devices, distributors and agency, new energy devices, and handheld devices, as well as real estate services.

Strategic investment expenditures (such as global branding expenditures, depreciation of the capital expenditures for the strengthening of the global information structure, and non-routine long-term strategic expenditures) are not allocated to reportable segments. Operating profit is used as the measurement for segment profit and the basis for performance evaluation. The reporting amount is consistent with the report used by the chief operating decision maker. There was no material inconsistency between the accounting policies adopted for the operating segments and the significant accounting policies of the Group.

ACER INCORPORATED AND SUBSIDIARIES
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The Group's operating segment information and reconciliation was as follows:

	2021			
	IT Hardware Products	**Others**	**Adjustments and eliminations**	**Total**
Revenues from external customers	$ 281,640,355	37,365,101	-	319,005,456
Intra-group revenue	1,676,566	2,524,042	(4,200,608)	-
Total revenues	**$ 283,316,921**	**39,889,143**	**(4,200,608)**	**319,005,456**
Segment profit (loss)	**$ 15,845,251**	**1,024,627**	**(2,707,017)**	**14,162,861**

	2020			
	IT Hardware Products	**Others**	**Adjustments and eliminations**	**Total**
Revenues from external customers	$ 247,608,295	29,504,182	-	277,112,477
Intra-group revenue	1,964,841	1,928,939	(3,893,780)	-
Total revenues	**$ 249,573,136**	**31,433,121**	**(3,893,780)**	**277,112,477**
Segment profit (loss)	**$ 10,241,102**	**429,884**	**(1,735,148)**	**8,935,838**

(b) Product and service information

Revenues from external customers are detailed below:

Products and services	**2021**	**2020**
Personal computers	$ 237,437,820	206,616,248
Peripherals and others	81,567,636	70,496,229
	$ 319,005,456	**277,112,477**

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers are detailed below:

Region	**2021**	**2020**
U.S.A.	$ 72,123,742	75,134,328
Mainland China	17,067,580	12,034,262
Taiwan	50,521,591	37,364,653
Others	179,292,543	152,579,234
	$ 319,005,456	**277,112,477**

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Non-current assets:

Region	December 31, 2021	December 31, 2020
U.S.A.	$ 10,520,400	10,797,633
Taiwan	5,296,052	4,552,911
Mainland China	2,197,269	2,105,099
Others	5,182,892	5,384,042
	$ 23,196,613	**22,839,685**

Non-current assets include property, plant and equipment, right-of-use assets, investment property and intangible assets, and do not include financial instruments, prepaid income taxes, deferred tax assets, and pension fund assets.

(d) Major customers' information

The Group doesn't have a single customer representing at least 10% of revenue in the consolidated statements of comprehensive income.

Acer Incorporated and Subsidiaries
Financing provided to other parties
For the year ended December 31, 2021

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 3)	Related Party	Maximum Balance for the Period	Ending Balance	Actually drawndown Amounts	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	The Company	APDI	Other receivables from related parties	Yes	40,000	30,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ABH	Other receivables from related parties	Yes	15,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	CCI	Other receivables from related parties	Yes	4,000	4,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ADSC	Other receivables from related parties	Yes	25,000	15,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ASDI	Other receivables from related parties	Yes	38,000	35,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGT	Other receivables from related parties	Yes	100,000	100,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	API	Other receivables from related parties	Yes	25,000	25,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	MPS	Other receivables from related parties	Yes	35,000	35,000	35,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	MPS	Other receivables from related parties	Yes	65,000	65,000	21,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AMED	Other receivables from related parties	Yes	15,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	EDC	Other receivables from related parties	Yes	400,000	400,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	GTI	Other receivables from related parties	Yes	50,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ALT	Other receivables from related parties	Yes	100,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ALT	Other receivables from related parties	Yes	105,000	105,000	78,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGM	Other receivables from related parties	Yes	300,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGM	Other receivables from related parties	Yes	295,000	295,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGM	Other receivables from related parties	Yes	300,000	300,000	110,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AFE	Other receivables from related parties	Yes	332,833	330,294	330,294	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
1	APDI	The Company	Other receivables from related parties	Yes	40,000	30,000	-	0%~4%	2	-	Operating requirements	-	None	-	43,005	43,005
2	ABH	The Company	Other receivables from related parties	Yes	150,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	611,622	611,622
2	ABH	ACTTW	Other receivables from related parties	Yes	30,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	40,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	38,000	38,000	37,800	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622

No.	Financing Company	Counterparty	Financial Statement Account (Note 3)	Related Party	Maximum Balance for the Period	Ending Balance	Actually drawndown Amounts	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
2	ABH	ABSG	Other receivables from related parties	Yes	77,486	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABSG	Other receivables from related parties	Yes	69,711	66,115	65,328	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABC	Other receivables from related parties	Yes	10,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABC	Other receivables from related parties	Yes	12,000	12,000	12,000	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABC	Other receivables from related parties	Yes	12,000	12,000	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	68,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	70,000	70,000	68,000	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	AIC	Other receivables from related parties	Yes	30,000	30,000	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
3	CCI	The Company	Other receivables from related parties	Yes	100,000	100,000	100,000	0%~4%	2	-	Operating requirements	-	None	-	151,975	151,975
4	ADSC	The Company	Other receivables from related parties	Yes	100,000	100,000	100,000	0%~4%	2	-	Operating requirements	-	None	-	498,611	498,611
4	ADSC	Bluechip	Other receivables from related parties	Yes	28,514	-	-	0%~4%	2	-	Operating requirements	-	None	-	124,653	498,611
4	ADSC	Bluechip	Other receivables from related parties	Yes	25,098	24,133	24,133	0%~4%	2	-	Operating requirements	-	None	-	124,653	498,611
4	ADSC	ABST	Other receivables from related parties	Yes	70,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	124,653	498,611
5	ACTTW	ABSG	Other receivables from related parties	Yes	17,413	-	-	0%~4%	2	-	Operating requirements	-	None	-	-	-
6	ASDI	The Company	Other receivables from related parties	Yes	38,000	35,000	20,000	0%~4%	2	-	Operating requirements	-	None	-	85,951	85,951
6	ASDI	APDI	Other receivables from related parties	Yes	40,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	85,951	85,951
6	ASDI	APDI	Other receivables from related parties	Yes	38,000	38,000	14,000	0%~4%	2	-	Operating requirements	-	None	-	85,951	85,951
7	AGT	The Company	Other receivables from related parties	Yes	100,000	100,000	70,000	0%~4%	2	-	Operating requirements	-	None	-	141,378	141,378
8	API	The Company	Other receivables from related parties	Yes	25,000	25,000	25,000	0%~4%	2	-	Operating requirements	-	None	-	33,667	33,667
9	AIZS	ACCQ	Other receivables from related parties	Yes	207,460	-	-	0%~4%	2	-	Operating requirements	-	None	-	253,844	253,844
9	AIZS	ACCQ	Other receivables from related parties	Yes	212,122	209,109	209,109	0%~4%	2	-	Operating requirements	-	None	-	253,844	253,844
9	AIZS	ACCQ	Other receivables from related parties	Yes	211,288	211,288	-	0%~4%	2	-	Operating requirements	-	None	-	253,844	253,844
10	GWI	AAC	Other receivables from related parties	Yes	397,768	-	-	0%~4%	2	-	Operating requirements	-	None	-	25,818,317	25,818,317
10	GWI	AAC	Other receivables from related parties	Yes	407,993	395,967	395,967	0%~4%	2	-	Operating requirements	-	None	-	25,818,317	25,818,317
11	AAH	AAC	Other receivables from related parties	Yes	4,290,212	-	-	0%~4%	2	-	Operating requirements	-	None	-	32,213,321	32,213,321
11	AAH	AAC	Other receivables from related parties	Yes	4,336,712	4,208,880	4,208,880	0%~4%	2	-	Operating requirements	-	None	-	32,213,321	32,213,321

No.	Financing Company	Counterparty	Financial Statement Account (Note 3)	Related Party	Maximum Balance for the Period	Ending Balance	Actually drawndown Amounts	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
12	MPS	The Company	Other receivables from related parties	Yes	1,000	1,000	-	0%~4%	2	-	Operating requirements	-	None	-	18,632	18,632
13	AMED	The Company	Other receivables from related parties	Yes	1,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	48,623	48,623
14	EDC	The Company	Other receivables from related parties	Yes	400,000	50,000	-	0%~4%	2	-	Operating requirements	-	None	-	185,004	185,004
15	Bluechip	BLI	Other receivables from related parties	Yes	1,141	-	-	0%~4%	2	-	Operating requirements	-	None	-	60,613	60,613
15	Bluechip	BLI	Other receivables from related parties	Yes	5,593	5,538	3,600	0%~4%	2	-	Operating requirements	-	None	-	60,613	60,613
15	Bluechip	DNA	Other receivables from related parties	Yes	33,559	33,229	-	0%~4%	2	-	Operating requirements	-	None	-	60,613	60,613
16	WLII	PGL	Other receivables from related parties	Yes	83,598	83,598	83,070	1%~1.12%	2	-	Operating requirements	-	None	-	186,749	746,996
16	WLII	PAM	Other receivables from related parties	Yes	69,665	69,665	69,225	1%~1.12%	2	-	Operating requirements	-	None	-	186,749	746,996
16	WLII	CRI	Other receivables from related parties	Yes	139,330	139,330	138,450	1%~1.12%	2	-	Operating requirements	-	None	-	186,749	746,996
17	PGL	CRI	Other receivables from related parties	Yes	14,846	14,782	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	18,686	74,743
17	PGL	PAM	Other receivables from related parties	Yes	14,846	14,782	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	18,686	74,743
18	PAL	CRI	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292
18	PAL	PAM	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292
18	PAL	PGL	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292
18	PAL	PST	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292

Note 1: Nature of Financing:

Type 2: Short-term financing purpose

Note 2: 1. The aggregate financing amount shall not exceed 50% of net worth of the Company, within which the short-term financing amount shall not exceed 20% of net worth of the Company.

1-1. For an entity which the Company owns less than 50% of its outstanding common shares, the individual financing amounts shall not exceed lower of 5% of net worth of the Company and 40% of net worth of the entity.

1-2. For an entity which the Company owns more than 50% of its outstanding common shares, the individual financing amounts shall not exceed 10% of net worth of the Company.

1-3. When a subsidiary who provides financing to other parties is directly or indirectly wholly owned by the Company, the aforementioned limit of aggregate amount and individual financing amount is applied.

2. For AIZS, the aggregate financing amount shall not exceed 120% of net worth of AIZS.

3. The financing limits of GWI and AAH were as follows:

3-1. The individual financing amounts shall not exceed higher of 20% of net worth of the entity or 50% of net worth of the ultimate parent company.

3-2. For an entity which the ultimate parent company wholly owns directly or indirectly, the individual financing amounts shall not exceed 120% of net worth of the entity.

4. The financing limits of APDI, ABH, CCI, ADSC, ACTTW, AGT, API, MPS, AMED and EDC were as follows:

4-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

4-2. The individual financing amounts to the ultimate parent company shall not exceed 40% of net worth of the entities listed above.

5. For an entity which the financing company owns more than 50% of its outstanding common shares or is fellow subsidiary of the same group, the individual financing amounts of ABH, ADSC and ACTTW shall not exceed 10% of net worth of ABH, ADSC and ACTTW.

6. The financing limit of ASDI is as follows:

6-1. The aggregate financing amount shall not exceed 40% of net worth of ASDI.

6-2. The individual financing amounts to the ultimate parent company and its related parties shall not exceed 40% of net worth of ASDI.

7. Both of the aggregate financing amount and the individual financing amounts of Bluechip shall not exceed 20% of net worth of Bluechip.

8. The financing limits of WLII, PGL and PAL were as follows:

8-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 10% of net worth of the entities listed above.

Note 3: Net worth of the Company and subsidiaries listed above are the most recent audited or reviewed.

Note 4: The above transactions are eliminated when preparing the consolidated financial statements.

Acer Incorporated and Subsidiaries
Guarantees and endorsements provided to other parties
For the year ended December 31, 2021

Table 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 6)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 6)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	The Company	AJC	2	12,296,787	828,320	721,846	-	-	1.17%	61,483,935	Y		
0	The Company	ATH	2	12,296,787	151,214	146,756	18,580	-	0.24%	61,483,935	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	12,296,787	1,997,170	1,938,300	159,624	-	3.15%	61,483,935	Y		
0	The Company	AEG	2	12,296,787	275,058	262,420	262,420	-	0.43%	61,483,935	Y		
0	The Company	Acer EMEA subsidiaries	2	12,296,787	998,585	969,150	144,992	-	1.58%	61,483,935	Y		
0	The Company	ACN/ACD/ACW/AFN	2	12,296,787	13,860	12,233	12,233	-	0.02%	61,483,935	Y		
0	The Company	ATB	2	12,296,787	855,930	830,700	1,761	-	1.35%	61,483,935	Y		
0	The Company	Acer Pan America subsidiaries	2	12,296,787	4,850,270	4,707,300	26,633	-	7.66%	61,483,935	Y		
0	The Company	AMEX	2	12,296,787	256,779	249,210	-	-	0.41%	61,483,935	Y		
0	The Company	Acer Greater China subsidiaries	2	12,296,787	1,569,205	1,522,950	51,468	-	2.48%	61,483,935	Y		Y
0	The Company	AEB	2	12,296,787	850,000	-	-	-	-	61,483,935	Y		
0	The Company	SMA	2	12,296,787	106,365	99,700	1,705	-	0.16%	61,483,935	Y		
0	The Company	ACA	2	12,296,787	285,310	152,295	152,295	-	0.25%	61,483,935	Y		
0	The Company	AIL	2	12,296,787	3,080,352	3,019,977	925,865	-	4.91%	61,483,935	Y		
0	The Company	ACCN/ACCQ/BJAC	2	12,296,787	883,842	871,289	-	-	1.42%	61,483,935	Y		Y
0	The Company	ABSG	2	12,296,787	142,655	138,450	-	-	0.23%	61,483,935	Y		
0	The Company	ITS	2	12,296,787	400,000	400,000	104,195	-	0.65%	61,483,935	Y		
0	The Company	ALT	2	12,296,787	400,000	400,000	-	-	0.65%	61,483,935	Y		
0	The Company	GTI	2	12,296,787	360,000	-	-	-	-	61,483,935	Y		
0	The Company	HSNC	2	12,296,787	222,810	222,690	-	-	0.36%	61,483,935	Y		
0	The Company	HSNP	2	12,296,787	57,062	55,380	-	-	0.09%	61,483,935	Y		
0	The Company	HSNT	2	12,296,787	72,869	72,690	6,182	-	0.12%	61,483,935	Y		
0	The Company	HSNC/HSNI/HSNP/HSNT	2	12,296,787	114,124	110,760	21,014	-	0.18%	61,483,935	Y		
0	The Company	MPS	2	12,296,787	48,503	47,073	47,073	-	0.08%	61,483,935	Y		
0	The Company	EDC	2	12,296,787	2,567,790	2,492,100	1,177,632	-	4.05%	61,483,935	Y		
0	The Company	AAC	2	12,296,787	975,310	969,150	689,120	-	1.58%	61,483,935	Y		
0	The Company	AGM	2	12,296,787	400,000	400,000	400,000	-	0.65%	61,483,935	Y		
0	The Company	HSNI	2	12,296,787	114,124	110,760	-	-	0.18%	61,483,935	Y		
0	The Company	API	2	12,296,787	150,000	150,000	-	-	0.24%	61,483,935	Y		
0	The Company	AGT	2	12,296,787	83,070	83,070	83,070	-	0.14%	61,483,935	Y		
0	The Company	HSNV	2	12,296,787	27,810	27,690	-	-	0.05%	61,483,935	Y		
1	AAC	ASC	4	2,260,071	17,119	16,614	16,614	-	0.15%	2,260,071			
2	AOI	AOSD	2	197,093	2,769	2,769	-	-	0.43%	642,038			
2	AOI	AOC	2	197,093	152,295	152,295	-	-	24.01%	642,038			Y
3	AOZ	AOC	4	49,833	28,531	-	-	-	-	124,582			Y
4	AST	ASTA	2	73,233	55,620	55,380	-	-	15.12%	183,083			
4	AST	ASTS	2	73,233	17,677	17,295	-	-	4.76%	183,083			Y
4	AST	ISU	2	73,233	30,000	30,000	-	-	8.19%	183,083			
5	WLII	CRI	2	373,498	137,957	137,957	6,071	-	7.00%	933,745			
5	WLII	PAM	2	373,498	174,188	174,188	9,599	-	9.00%	933,745			
5	WLII	PST	2	373,498	142,137	142,137	27,080	-	8.00%	933,745			Y
6	PGL	CRI	2	37,372	9,788	8,307	-	-	4.00%	93,429			
6	PGL	PAL	2	37,372	318,812	-	-	-	-	93,429			
6	PGL	PAM	2	37,372	318,812	-	-	-	-	93,429			
7	PAM	PAL	4	6,415	223,728	-	-	-	-	16,038			

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 6)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 6)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
8	PAL	PAM	4	20,646	223,728	-	-	-	-	51,615			
8	PAL	PST	4	20,646	176,186	-	-	-	-	51,615			Y
9	DCL	PST	2	26,405	29,364	-	-	-	-	66,012			Y

Note 1: Relationships between the endorsement/guarantee provider and the guaranteed party:
Type 2: an entity directly or indirectly owned by the Company over 50%
Type 4: between entities directly or indirectly owned by the Company over 90%

Note 2: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited or reviewed net worth of the Company.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of the Company.

Note 3: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited or reviewed net worth of AOI.
The endorsement/guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited or reviewed net worth of AOI.

Note 4: The aggregate endorsement/guarantee amount provided shall not exceed 20% of the most recent audited net worth of AAC.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AAC.

Note 5: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited or reviewed net worth of AOZ.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of AOZ.

Note 6: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited or reviewed net worth of AST.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of AST.

Note 7: The aggregate endorsement/guarantee amount provided limits of WLII and its subsidiaries were as follows:
The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited or reviewed net worth of the entities listed above.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of the entities listed above.
The aggregate endorsement/guarantee amount provided by WLII and its subsidiaries shall not exceed 50% of the most recent audited or reviewed net worth of WLII.
The endorsement/guarantee provided to individual guarantee party by WLII and its subsidiaries shall not exceed 20% of the most recent audited or reviewed net worth of WLII.

Acer Incorporated and Subsidiaries
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2021

Table 3

(Amounts in Thousands of New Taiwan Dollars / Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2021		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbreeze	-	Financial assets measured at fair value through profit or loss — current	572	1,754	0.10%	1,754	572	0.21%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	81,713	2,488,151	4.15%	2,488,151	81,713	4.15%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	211,008	0.24%	211,008	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	54,816	1,597,886	1.89%	1,597,886	54,816	1.93%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	292,666	3.08%	292,666	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	7,538	1,292,713	3.48%	1,292,713	7,538	3.49%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	830	53,286	0.25%	53,286	830	0.25%	Note 1
The Company	Preferred stock B: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	1,177	74,741	0.17%	74,741	1,177	0.17%	Note 1
The Company	Preferred stock A: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	260	16,354	0.03%	16,354	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	951	60,008	0.14%	60,008	951	0.14%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	16,053	0.04%	16,053	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,590	0.02%	1,590	30	0.02%	Note 2
The Company	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	7,000	420,700	2.10%	420,700	7,000	2.10%	Note 3
The Company	Preferred stock E:TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	150	7,965	0.02%	7,965	150	0.02%	Note 4
The Company	Stock: Pell Bio-med Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,400	120,000	7.19%	120,000	1,200	7.24%	
The Company	Stock: CellMax Life Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	600	17,421	1.02%	17,421	600	1.02%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,000	20,000	14.39%	20,000	2,000	14.39%	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	380,296	0.45%	380,296	13,046	0.46%	
ADSC	Stock: Pi Mobile Technology Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	1,604	126,000	3.76%	126,000	1,604	3.77%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	12,108	18.92%	12,108	322	18.92%	
ASCBVI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	145,120	19.39%	145,120	3,800	19.39%	
ASCBVI	Stock: Trutag	-	Financial assets measured at fair value through other comprehensive income — non-current	1,346	5,981	0.33%	5,981	1,346	1.00%	
ASCBVI	Stock: Gorilla	-	Financial assets measured at fair value through other comprehensive income — non-current	244	55,380	1.90%	55,380	244	1.91%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2021		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
ASCBVI	Stock: Locix	-	Financial assets measured at fair value through other comprehensive income — non-current	1,000	41,535	4.05%	41,535	1,000	4.58%	
ASCBVI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	110,760	12.20%	110,760	463	14.07%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	37,064	2.01%	37,064	1,015	2.01%	
ABST	Stock: PilotTV Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	2,676	57,462	19.18%	57,462	2,676	19.18%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	8,384	13.79%	8,384	-	13.79%	
ACTCQ	Equity of Shenmou Technology (Shenzhen)	-	Financial assets measured at fair value through other comprehensive income — non-current	-	411	19.99%	411	960	19.99%	
AHN	EUR Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	736,433	-	736,433	-	-	
AHI	USD Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	1,804,553	-	1,804,553	-	-	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	28,538	0.30%	28,538	666	0.30%	Note 1
AEB	Stock: Ambi Arts	-	Financial assets measured at fair value through other comprehensive income — non-current	180	778	18.00%	778	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	28,538	0.30%	28,538	666	0.30%	Note 1
AOI	Stock: MPL	-	Financial assets measured at fair value through other comprehensive income — non-current	25	20,505	15.06%	20,505	25	15.06%	
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	12,020	0.06%	12,020	200	0.06%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	24,040	0.12%	24,040	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	21,240	0.44%	21,240	300	0.44%	

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are prefered stock B. The percentage of ownership listed above is the percentage of ownership of preferred stock B.
Note 2: The stocks of CTFH、FBFH、UBOT are prefered stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.
Note 3: The stocks of FBFH are prefered stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.
Note 4: The stocks of TSFH are prefered stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated and Subsidiaries

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

For the year ended December 31, 2021

Table 4

(Amounts in Thousands of New Taiwan Dollars / Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisitions		Disposal				Ending Balance	
					Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/ Units (in thousands)	Amount
ACCN	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	827,000	3,587,303	827,000	3,609,549	3,587,303	22,246	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	4,432,000	19,229,403	4,432,000	19,317,616	19,229,403	88,213	-	-
The Company	Common Stock of FocalTech	Financial assets measured at fair value through other comprehensive income— non-current	Centralized Securities Exchange Market	None	-	-	7,538	1,500,487	-	-	-	-	7,538	1,292,713
The Company	Preferred stock C of FBFH	Financial assets measured at fair value through other comprehensive income— non-current	Centralized Securities Exchange Market	None	-	-	7,000	420,700	-	-	-	-	7,000	420,700

Acer Incorporated and Subsidiaries
Total purchases from and sales to related parties which exceed NT$100 million or 20% of the paid-in capital
For the year ended December 31, 2021

Table 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AAC	Parent/Subsidiary	(Sales)	(73,481,903)	(29.77)%	OA90	-	-	15,257,348	34.79%	
The Company	ACA	Parent/Subsidiary	(Sales)	(6,199,228)	(2.51)%	OA60	-	-	2,246,002	5.12%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(11,420,047)	(4.63)%	OA60	-	-	808,111	1.84%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(878,109)	(0.36)%	OA60	-	-	229,474	0.52%	
The Company	ACS	Parent/Subsidiary	(Sales)	(2,965,691)	(1.20)%	OA60	-	-	690,477	1.57%	
The Company	AEG	Parent/Subsidiary	(Sales)	(93,323,424)	(37.81)%	OA60	-	-	6,603,418	15.06%	
The Company	AFE	Parent/Subsidiary	(Sales)	(574,495)	(0.23)%	OA60	-	-	117,976	0.27%	
The Company	AIL	Parent/Subsidiary	(Sales)	(9,717,757)	(3.94)%	OA150	-	-	5,039,862	11.49%	
The Company	AIN	Parent/Subsidiary	(Sales)	(7,765,861)	(3.15)%	OA90	-	-	2,614,602	5.96%	
The Company	AIN	Parent/Subsidiary	Purchases	719,887	0.31%	OA60	-	-	(37,111)	(0.08)%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,580,432)	(0.64)%	OA60	-	-	720,672	1.64%	
The Company	AMI	Parent/Subsidiary	(Sales)	(987,777)	(0.40)%	OA90	-	-	180,379	0.41%	
The Company	APHI	Parent/Subsidiary	(Sales)	(1,989,819)	(0.81)%	OA60	-	-	605,612	1.38%	
The Company	APHI	Parent/Subsidiary	Purchases	198,222	0.08%	OA60	-	-	(69,439)	(0.14)%	
The Company	APX	Parent/Subsidiary	(Sales)	(144,075)	(0.06)%	OA60	-	-	24,763	0.06%	
The Company	ASC	Parent/Subsidiary	(Sales)	(160,162)	(0.06)%	OA60	-	-	13,235	0.03%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(4,444,131)	(1.80)%	OA60	-	-	559,237	1.28%	
The Company	ATH	Parent/Subsidiary	(Sales)	(7,508,925)	(3.04)%	OA60	-	-	1,499,048	3.42%	
The Company	AVN	Parent/Subsidiary	(Sales)	(246,007)	(0.10)%	OA60	-	-	34,721	0.08%	
The Company	AVN	Parent/Subsidiary	Purchases	118,143	0.05%	OA60	-	-	(8,606)	(0.02)%	
The Company	GrandPAD	Associate	(Sales)	(128,715)	(0.05)%	EM120	-	-	-	-	
The Company	ALT	Parent/Subsidiary	Purchases	134,306	0.06%	OA60	-	-	(51,885)	(0.11)%	
The Company	AEB	Parent/Subsidiary	Purchases	179,874	0.08%	EM30	-	-	(31,766)	(0.07)%	
The Company	AOI	Parent/Subsidiary	Purchases	313,375	0.13%	EM60	-	-	(307,088)	(0.63)%	
The Company	AGT	Parent/Subsidiary	Purchases	404,098	0.17%	OA60/EM60	-	-	(130,458)	(0.27)%	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,667,404)	(0.68)%	EM45	-	-	144,320	0.33%	
The Company	AOSD	Parent/Subsidiary	Purchases	1,117,417	0.48%	OA60	-	-	-	-	
The Company	GTI	Parent/Subsidiary	Purchases	309,033	0.13%	OA60	-	-	-	-	
WELL	WLII	Parent/Subsidiary	Purchases	354,960	94.36%	EM45	-	-	(100,886)	(97.85)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(134,306)	(30.91)%	OA60	-	-	51,885	42.74%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEB	The Company	Parent/Subsidiary	(Sales)	(179,874)	(2.90)%	EM30	-	-	31,766	1.73%	
AEB	WLII	Fellow subsidiary	Purchases	276,499	5.47%	EM60	-	-	(77,555)	(7.88)%	
AOI	AOA	Parent/Subsidiary	(Sales)	(162,293)	(16.90)%	OA90	-	-	187,371	27.73%	
AOI	AOE	Parent/Subsidiary	(Sales)	(359,355)	(37.43)%	OA60	-	-	119,025	17.61%	
AOI	The Company	Parent/Subsidiary	(Sales)	(313,375)	(32.64)%	EM60	-	-	307,088	45.44%	
AGT	The Company	Parent/Subsidiary	(Sales)	(404,098)	(52.17)%	OA60/EM60	-	-	130,458	47.58%	
WLII	The Company	Parent/Subsidiary	Purchases	1,667,404	9.87%	EM45	-	-	(144,320)	(6.89)%	
WLII	WELL	Parent/Subsidiary	(Sales)	(354,960)	(1.97)%	EM45	-	-	100,886	4.16%	
WLII	AEB	Fellow subsidiary	(Sales)	(276,499)	(1.54)%	EM60	-	-	77,555	3.20%	
AOSD	The Company	Parent/Subsidiary	(Sales)	(1,117,417)	(100.00)%	OA60	-	-	-	-	
PAM	CRI	Fellow subsidiary	(Sales)	(220,569)	(23.66)%	TT60	-	-	123,406	42.91%	
GTI	The Company	Parent/Subsidiary	(Sales)	(309,033)	(83.48)%	OA60	-	-	-	-	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,861,265)	(2.61)%	OA60	-	-	246,628	2.48%	
AAC	ASC	Fellow subsidiary	(Sales)	(646,615)	(0.91)%	OA60	-	-	69,240	0.70%	
AAC	ATB	Fellow subsidiary	(Sales)	(461,158)	(0.65)%	OA60	-	-	87,068	0.88%	
AAC	The Company	Parent/Subsidiary	Purchases	73,481,903	100.00%	OA90	-	-	(15,257,348)	(96.17)%	
ACA	ACNZ	Fellow subsidiary	(Sales)	(103,193)	(1.43)%	OA60	-	-	407	0.02%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(165,789)	(2.30)%	EM30	-	-	30,254	1.83%	
ACA	The Company	Parent/Subsidiary	Purchases	6,199,228	93.20%	OA60	-	-	(2,246,002)	(98.22)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(273,941)	(67.89)%	OA60	-	-	83,394	87.97%	
ACCQ	ACCN	Fellow subsidiary	Purchases	273,941	1.76%	OA60	-	-	(83,394)	(5.05)%	
ACCQ	AOC	Fellow subsidiary	Purchases	188,166	1.21%	EM60	-	-	(72,841)	(4.41)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	11,420,047	73.48%	OA60	-	-	(808,111)	(48.94)%	
ACF	AEG	Fellow subsidiary	(Sales)	(354,977)	(2.74)%	OA60	-	-	1,172,814	23.44%	
ACF	AEG	Fellow subsidiary	Purchases	11,738,713	93.86%	OA60	-	-	(1,910,308)	(97.64)%	
ACF	APX	Fellow subsidiary	Purchases	159,511	1.28%	OA60	-	-	(13,030)	(0.67)%	
ACG	AEG	Fellow subsidiary	(Sales)	(613,935)	(2.08)%	OA60	-	-	2,346,828	20.09%	
ACG	AEG	Fellow subsidiary	Purchases	27,230,308	95.24%	OA60	-	-	(6,705,578)	(99.01)%	
ACG	APX	Fellow subsidiary	Purchases	249,848	0.87%	OA45	-	-	(40,822)	(0.60)%	
ACH	AEG	Fellow subsidiary	(Sales)	(102,053)	(1.50)%	OA60	-	-	439,617	22.13%	
ACH	AEG	Fellow subsidiary	Purchases	6,256,704	95.10%	OA60	-	-	(930,024)	(97.57)%	
ACH	APX	Fellow subsidiary	Purchases	115,006	1.75%	OA60	-	-	(18,307)	(1.92)%	
ACNZ	ACA	Fellow subsidiary	Purchases	103,193	10.23%	OA60	-	-	(407)	(0.18)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	878,109	87.04%	OA60	-	-	(229,474)	(99.11)%	
ACS	The Company	Parent/Subsidiary	Purchases	2,965,691	86.63%	OA60	-	-	(690,477)	(97.98)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(112,569)	(16.86)%	OA60	-	-	13,765	12.15%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
ACZ	APX	Fellow subsidiary	(Sales)	(101,091)	(15.14)%	OA60	-	-	27,877	24.60%	
ACZ	APX	Fellow subsidiary	Purchases	236,158	38.33%	OA90	-	-	(40,823)	(76.49)%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(255,450)	(38.25)%	OA30	-	-	21,615	19.07%	
AEG	ACF	Fellow subsidiary	(Sales)	(11,738,713)	(11.64)%	OA60	-	-	1,910,308	9.30%	
AEG	ACF	Fellow subsidiary	Purchases	354,977	0.36%	OA60	-	-	(1,172,814)	(8.25)%	
AEG	ACG	Fellow subsidiary	(Sales)	(27,230,308)	(27.00)%	OA60	-	-	6,705,578	32.64%	
AEG	ACG	Fellow subsidiary	Purchases	613,935	0.63%	OA60	-	-	(2,346,828)	(16.50)%	
AEG	ACH	Fellow subsidiary	(Sales)	(6,256,704)	(6.20)%	OA60	-	-	930,024	4.53%	
AEG	ACH	Fellow subsidiary	Purchases	102,053	0.10%	OA60	-	-	(439,617)	(3.09)%	
AEG	ACZ	Fellow subsidiary	Purchases	112,569	0.12%	OA60	-	-	(13,765)	(0.10)%	
AEG	AEH	Parent/Subsidiary	Purchases	186,652	0.19%	OA60	-	-	(15,720)	(0.11)%	
AEG	AIB	Fellow subsidiary	(Sales)	(5,833,518)	(5.78)%	OA60	-	-	796,243	3.88%	
AEG	AIB	Fellow subsidiary	Purchases	339,693	0.35%	OA60	-	-	(630,307)	(4.43)%	
AEG	AIT	Fellow subsidiary	(Sales)	(5,843,573)	(5.79)%	OA60	-	-	669,913	3.26%	
AEG	AIT	Fellow subsidiary	Purchases	268,015	0.27%	OA60	-	-	(892,698)	(6.28)%	
AEG	APX	Fellow subsidiary	(Sales)	(1,138,756)	(1.13)%	OA60	-	-	-	-	
AEG	APX	Fellow subsidiary	Purchases	1,659,237	1.70%	OA60	-	-	(59,609)	(0.42)%	
AEG	ASIN	Fellow subsidiary	(Sales)	(28,132,758)	(27.89)%	OA60	-	-	6,054,479	29.47%	
AEG	ASZ	Fellow subsidiary	(Sales)	(2,329,461)	(2.31)%	OA60	-	-	349,445	1.70%	
AEG	ASZ	Fellow subsidiary	Purchases	104,885	0.11%	OA60	-	-	(278,167)	(1.96)%	
AEG	AUK	Fellow subsidiary	(Sales)	(9,446,695)	(9.37)%	OA60	-	-	2,209,507	10.76%	
AEG	CPY	Fellow subsidiary	(Sales)	(1,428,061)	(1.42)%	OA60	-	-	368,248	1.79%	
AEG	ENNL	Fellow subsidiary	Purchases	119,695	0.12%	OA30	-	-	(26,013)	(0.18)%	
AEG	SER	Fellow subsidiary	(Sales)	(1,619,494)	(1.61)%	OA60	-	-	348,429	1.70%	
AEG	The Company	Parent/Subsidiary	Purchases	93,323,424	95.56%	OA60	-	-	(6,603,418)	(46.43)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(186,652)	(70.17)%	OA60	-	-	15,720	56.42%	
AFE	The Company	Parent/Subsidiary	Purchases	574,495	89.37%	OA60	-	-	(117,976)	(93.11)%	
AIB	AEG	Fellow subsidiary	(Sales)	(339,693)	(5.24)%	OA60	-	-	630,307	28.32%	
AIB	AEG	Fellow subsidiary	Purchases	5,833,518	92.44%	OA60	-	-	(796,243)	(97.52)%	
AIB	APX	Fellow subsidiary	Purchases	140,758	2.23%	OA60	-	-	(23,452)	(2.87)%	
AIL	The Company	Parent/Subsidiary	Purchases	9,717,757	68.09%	OA150	-	-	(5,039,862)	(91.60)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(189,477)	(2.30)%	OA60	-	-	24,192	2.68%	
AIN	AMI	Fellow subsidiary	Purchases	1,055,874	13.16%	OA90	-	-	-	-	
AIN	The Company	Parent/Subsidiary	(Sales)	(719,887)	(8.74)%	OA60	-	-	37,111	4.11%	
AIN	The Company	Parent/Subsidiary	Purchases	7,765,861	86.84%	OA90	-	-	(2,614,602)	(99.59)%	
AIT	AEG	Fellow subsidiary	(Sales)	(268,015)	(4.17)%	OA60	-	-	892,698	34.32%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AIT	AEG	Fellow subsidiary	Purchases	5,843,573	94.03%	OA60	-	-	(669,913)	(96.16)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,580,432	62.85%	OA60	-	-	(720,672)	(99.98)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,861,265	94.11%	OA60	-	-	(246,628)	(97.23)%	
AMI	AIN	Fellow subsidiary	(Sales)	(1,055,874)	(99.84)%	OA90	-	-	-	-	
AMI	AIN	Parent/Subsidiary	Purchases	189,477	15.38%	OA60	-	-	(24,192)	(11.44)%	
AMI	The Company	Parent/Subsidiary	Purchases	987,777	80.16%	OA90	-	-	(180,379)	(85.28)%	
AOA	AOI	Parent/Subsidiary	Purchases	162,293	98.47%	OA90	-	-	(187,371)	(98.27)%	
AOC	ACCQ	Fellow subsidiary	(Sales)	(188,166)	(84.91)%	EM60	-	-	72,841	91.98%	
AOE	AOI	Parent/Subsidiary	Purchases	359,355	99.33%	OA60	-	-	(119,025)	(100.00)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(198,222)	(8.34)%	OA60	-	-	69,439	33.61%	
APHI	The Company	Parent/Subsidiary	Purchases	1,989,819	86.57%	OA60	-	-	(605,612)	(95.60)%	
APX	ACF	Fellow subsidiary	(Sales)	(159,511)	(4.67)%	OA60	-	-	13,030	5.71%	
APX	ACG	Fellow subsidiary	(Sales)	(249,848)	(7.32)%	OA45	-	-	40,822	17.90%	
APX	ACH	Fellow subsidiary	(Sales)	(115,006)	(3.37)%	OA60	-	-	18,307	8.03%	
APX	ACZ	Fellow subsidiary	(Sales)	(236,158)	(6.92)%	OA90	-	-	40,823	17.90%	
APX	ACZ	Fellow subsidiary	Purchases	101,091	3.38%	OA60	-	-	(27,877)	(16.46)%	
APX	AEG	Fellow subsidiary	(Sales)	(1,659,237)	(48.58)%	OA60	-	-	59,609	26.14%	
APX	AEG	Fellow subsidiary	Purchases	1,138,756	38.10%	OA60	-	-	-	-	
APX	AIB	Fellow subsidiary	(Sales)	(140,758)	(4.12)%	OA60	-	-	23,452	10.28%	
APX	The Company	Parent/Subsidiary	Purchases	144,075	4.82%	OA60	-	-	(24,763)	(14.62)%	
ARU	ASIN	Fellow subsidiary	(Sales)	(132,317)	(100.00)%	OA60	-	-	9,718	100.00%	
ASC	AAC	Fellow subsidiary	Purchases	646,615	80.14%	OA60	-	-	(69,240)	(53.48)%	
ASC	The Company	Parent/Subsidiary	Purchases	160,162	19.85%	OA60	-	-	(13,235)	(10.22)%	
ASIN	ACZ	Fellow subsidiary	Purchases	255,450	0.89%	OA30	-	-	(21,615)	(0.35)%	
ASIN	AEG	Fellow subsidiary	Purchases	28,132,758	98.48%	OA60	-	-	(6,054,479)	(99.34)%	
ASIN	ARU	Fellow subsidiary	Purchases	132,317	0.46%	OA60	-	-	(9,718)	(0.16)%	
ASSB	HSN	Fellow subsidiary	(Sales)	(122,135)	(2.36)%	OA60	-	-	28,762	11.81%	
ASSB	SMA	Parent/Subsidiary	(Sales)	(643,486)	(12.43)%	OA60	-	-	-	-	
ASSB	The Company	Parent/Subsidiary	Purchases	4,444,131	95.42%	OA60	-	-	(559,237)	(98.42)%	
ASZ	AEG	Fellow subsidiary	(Sales)	(104,885)	(3.90)%	OA60	-	-	278,167	29.33%	
ASZ	AEG	Fellow subsidiary	Purchases	2,329,461	91.80%	OA60	-	-	(349,445)	(96.85)%	
ATB	AAC	Fellow subsidiary	Purchases	461,158	4.68%	OA60	-	-	(87,068)	(3.35)%	
ATH	The Company	Parent/Subsidiary	Purchases	7,508,925	94.55%	OA60	-	-	(1,499,048)	(93.35)%	
AUK	AEG	Fellow subsidiary	Purchases	9,446,695	93.73%	OA60	-	-	(2,209,507)	(99.90)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(118,143)	(32.06)%	OA60	-	-	8,606	17.77%	
AVN	The Company	Parent/Subsidiary	Purchases	246,007	89.11%	OA60	-	-	(34,721)	(80.61)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Bluechip	ACA	Fellow subsidiary	Purchases	165,789	6.62%	EM30	-	-	(30,254)	(16.42)%	
CPY	AEG	Fellow subsidiary	Purchases	1,428,061	100.00%	OA60	-	-	(368,248)	(97.35)%	
CRI	PAM	Fellow subsidiary	Purchases	220,569	26.44%	TT60	-	-	(123,406)	(68.88)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(119,695)	(100.00)%	OA30	-	-	26,013	98.80%	
GrandPAD	The Company	Associate	Purchases	128,715	47.38%	EM120	-	-	-	-	
HSN	ASSB	Fellow subsidiary	Purchases	122,135	38.85%	OA60	-	-	(28,762)	(9.15)%	
SER	AEG	Fellow subsidiary	Purchases	1,619,494	100.00%	OA60	-	-	(348,429)	(98.41)%	
SMA	ASSB	Parent/Subsidiary	Purchases	643,486	18.08%	OA60	-	-	-	-	

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

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

Acer Incorporated and Subsidiaries
Receivables from related parties which exceed NT$100 million or 20% of the paid-in capital
December 31, 2021

Table 6

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	AAC	Parent/Subsidiary	15,257,348	5.66	-		8,662,642	-	
The Company	ACA	Parent/Subsidiary	2,246,606	3.25	813,274	Under collection	1,477,610	-	
The Company	ACCQ	Parent/Subsidiary	808,111	17.88	-		898,553	-	
The Company	ACNZ	Parent/Subsidiary	229,474	4.87	151,625	Under collection	218,534	-	
The Company	ACS	Parent/Subsidiary	697,621	5.07	280,528	Under collection	329,171	-	
The Company	AEG	Parent/Subsidiary	6,603,418	21.98	-		7,485,642	-	
The Company	AFE	Parent/Subsidiary	448,270	1.87	8,029	Under collection	92,656	-	
The Company	AIL	Parent/Subsidiary	5,039,862	2.48	-		1,008,839	-	
The Company	AIN	Parent/Subsidiary	2,614,602	5.11	-		1,822,071	-	
The Company	AJC	Parent/Subsidiary	722,364	0.69	431,182	Under collection	120,538	-	
The Company	AMI	Parent/Subsidiary	180,379	10.33	-		57,462	-	
The Company	APHI	Parent/Subsidiary	605,612	4.48	9,113	Under collection	521,626	-	
The Company	ASSB	Parent/Subsidiary	560,163	8.18	-		437,352	-	
The Company	ATH	Parent/Subsidiary	1,499,048	7.33	346,831	Under collection	1,280,001	-	
The Company	ITS	Parent/Subsidiary	111,490	2.92	459	Under collection	1,135	-	
The Company	WLII	Parent/Subsidiary	144,811	10.36	-		144,811	-	
ABH	ABST	Parent/Subsidiary	105,988	-	-		-	-	
AOI	AOA	Parent/Subsidiary	187,371	0.78	148,733	Under collection	11,586	-	
AOI	AOE	Parent/Subsidiary	119,025	3.02	62,404	Under collection	40,120	-	
AOI	The Company	Parent/Subsidiary	307,088	4.02	2,025	Under collection	307,088	-	
AGT	The Company	Parent/Subsidiary	201,387	6.20	23,417	Under collection	23,417	-	
WLII	CRI	Parent/Subsidiary	138,801	-	-		-	-	Note 2
WLII	WELL	Parent/Subsidiary	100,886	4.59	-		-	-	
PAM	CRI	Fellow subsidiary	123,406	6.13	-		-	-	
ADSC	ASDI	Fellow subsidiary	169,060	-	-		-	-	
ADSC	The Company	Parent/Subsidiary	100,314	-	-		-	-	
CCI	The Company	Parent/Subsidiary	100,314	-	-		-	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
AAC	AMEX	Fellow subsidiary	246,628	3.94	-		-	-	
AAC	ASC	Fellow subsidiary	411,324	8.78	-		-	-	
AAH	AAC	Parent/Subsidiary	4,213,197	-	-		-	-	
ACCQ	The Company	Parent/Subsidiary	139,088	-	-		-	-	
ACF	AEG	Fellow subsidiary	1,172,814	0.32	30,634	Under collection	30,634	-	
ACG	AEG	Fellow subsidiary	2,346,828	0.25	47,014	Under collection	47,014	-	
ACH	AEG	Fellow subsidiary	439,617	0.22	-		-	-	
AEG	ACF	Fellow subsidiary	1,910,308	7.81	-		-	-	
AEG	ACG	Fellow subsidiary	6,705,578	4.74	1,071,963	Under collection	958,073	-	
AEG	ACH	Fellow subsidiary	930,024	7.92	-		-	-	
AEG	AIB	Fellow subsidiary	796,243	7.08	-		-	-	
AEG	AIT	Fellow subsidiary	669,913	6.48	-		-	-	
AEG	ASIN	Fellow subsidiary	6,054,479	5.71	-		-	-	
AEG	ASZ	Fellow subsidiary	349,445	8.52	-		-	-	
AEG	AUK	Fellow subsidiary	2,209,507	4.37	657,169	Under collection	668,472	-	
AEG	CPY	Fellow subsidiary	368,248	7.76	21,444	Under collection	21,444	-	
AEG	SER	Fellow subsidiary	348,429	5.50	-		-	-	
AIB	AEG	Fellow subsidiary	631,314	0.56	-		-	-	
AIT	AEG	Fellow subsidiary	892,698	0.33	-		-	-	
AIZS	ACCQ	Fellow subsidiary	212,068	-	-		-	-	
ASC	AAC	Fellow subsidiary	153,973	88.36	-		-	-	
ASIN	AEG	Fellow subsidiary	402,953	0.01	-		-	-	
ASZ	AEG	Fellow subsidiary	278,439	0.36	-		-	-	
AUK	AEG	Fellow subsidiary	846,791	0.11	-		-	-	
GWI	AAC	Parent/Subsidiary	395,967	-	-		-	-	

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

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

Acer Incorporated and Subsidiaries
Business relationships and significant intercompany transactions
December 31, 2021

Table 7

(Amounts in Thousands of New Taiwan Dollars)

Intercompany relationships and significant intercompany transactions for the year ended December 31, 2021 were as follows:

Number	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Account	Amount	Transaction Terms	
0	The Company	ACA	1	Sales	6,199,228	OA60	1.94%
0	The Company	ATH	1	Sales	7,508,925	OA60	2.35%
0	The Company	ASSB	1	Sales	4,444,131	OA60	1.39%
0	The Company	ACCQ	1	Sales	11,420,047	OA60	3.58%
0	The Company	AAC	1	Sales	73,481,903	OA90	23.03%
0	The Company	AIN	1	Sales	7,765,861	OA90	2.43%
0	The Company	AIL	1	Sales	9,717,757	OA150	3.05%
0	The Company	AEG	1	Sales	93,323,424	OA60	29.25%
0	The Company	ACA	1	Accounts receivable	2,246,002	OA60	1.05%
0	The Company	AAC	1	Accounts receivable	15,257,348	OA90	7.10%
0	The Company	AIN	1	Accounts receivable	2,614,602	OA90	1.22%
0	The Company	AIL	1	Accounts receivable	5,039,862	OA150	2.35%
0	The Company	AEG	1	Accounts receivable	6,603,418	OA60	3.07%
1	AEG	ASIN	3	Sales	28,132,758	OA60	8.82%
1	AEG	ACG	3	Sales	27,230,308	OA60	8.54%
1	AEG	AUK	3	Sales	9,446,695	OA60	2.96%
1	AEG	ACF	3	Sales	11,738,713	OA60	3.68%
1	AEG	ACH	3	Sales	6,256,704	OA60	1.96%
1	AEG	AIT	3	Sales	5,843,573	OA60	1.83%
1	AEG	AIB	3	Sales	5,833,518	OA60	1.83%
1	AEG	ASIN	3	Accounts receivable	6,054,479	OA60	2.82%
1	AEG	ACG	3	Accounts receivable	6,705,578	OA60	3.12%
1	AEG	AUK	3	Accounts receivable	2,209,507	OA60	1.03%
2	ACG	AEG	3	Accounts receivable	2,346,828	OA60	1.09%
3	AAH	AAC	1	Other receivable	4,213,197	-	1.96%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:
1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

Note 2: The relationships with counter party are as follows:
No. 1 represents the transactions from parent company to subsidiary.
No. 2 represents the transactions from subsidiary to parent company.
No. 3 represents the transactions from subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated net revenue or total assets.
The corresponding purchases and accounts payables are not disclosed.

Acer Incorporated and Subsidiaries
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2021

Table 8

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2021			Maximum ownership during 2021		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
The Company	ADSC	Taiwan	Investment and holding activity	1,143,730	1,143,730	66,215	100.00	1,291,834	128,282	100.00	64,348	64,348	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	25,487,197	1,263,432	92.02	1,846,032	1,698,627	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	17,738,760	147	100.00	2,098,315	2,098,315	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	15,443,940	191,155	100.00	594,893	594,893	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	32,988	1,421	28.10	82,086	1,225	33.39	28,407	7,665	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	5,658,111	5,658,111	158,475	100.00	683,136	158,475	100.00	(24,306)	(24,306)	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	1,299,817	1,299,817	-	100.00	600,892	-	100.00	2,769	2,769	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,139,390	1,139,390	10,971	64.54	415,709	10,971	64.54	86,853	56,052	Parent/Subsidiary
The Company	WLII	Taiwan	Sale of computers and communication products	728,694	730,210	48,073	58.93	1,118,169	49,674	67.36	340,919	204,569	Parent/Subsidiary
The Company	ATI	Taiwan	Integrated circuit test service	-	815,583	-	-	-	1,203	19.39	-	-	Associate
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,826,148	6,800,751	12,540	100.00	1,983,403	16,000	100.00	8,082	(3,922)	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,607,555	149,779	100.00	125,439	125,439	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	441	66.81	7,092	441	66.81	(475)	(317)	Parent/Subsidiary
The Company	EDC	Taiwan	Data center and cloud services	518,167	1,595,356	44,462	100.00	468,820	162,956	100.00	30,747	30,747	Parent/Subsidiary
The Company	AOI	Taiwan	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	333,155	333,155	28,970	40.55	271,241	28,970	40.55	136,351	53,664	Parent/Subsidiary
The Company	GTI	Taiwan	Sale of peripheral 3C products	-	45,000	-	-	-	4,500	83.64	10,921	8,346	Parent/Subsidiary
The Company	HSNC	Taiwan	Repair and maintenance of IT products	107,429	150,000	10,743	66.27	111,599	15,000	92.54	12,158	10,630	Parent/Subsidiary
The Company	SFT	Taiwan	Research, manufacturing and sale of radio-detection and civilian technology application products related to distance	132,000	132,000	13,200	55.00	71,601	13,200	55.00	(32,213)	(17,717)	Joint Venture
The Company	AST	Taiwan	System integration service	82,577	82,577	6,775	52.00	190,403	6,775	60.88	20,697	16,544	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	93,365	93,365	8,222	100.00	84,778	8,222	100.00	1,046	1,046	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	107,851	-	10,000	100.00	133,637	10,000	100.00	32,391	25,807	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	-	107,719	100.00	1,077,692	107,719	100.00	503	503	Parent/Subsidiary
ASBZ	VRE	Switzerland	Research of solutions to B2B virtual reality	38,979	38,979	100	100.00	(144)	100	100.00	(229)	Note 1	Parent/Subsidiary
HSNC	HSNT	Thailand	Repair and maintenance of IT products	2,345	1,763	74	100.00	1,733	74	100.00	(3,850)	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	Repair and maintenance of IT products	30,501	30,501	99	99.00	37,275	99	99.00	5,022	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	Repair and maintenance of IT products	85,419	85,419	500	100.00	92,840	500	100.00	9,178	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	Repair and maintenance of IT products	6,741	6,741	106	0.00	19,957	106	100.00	25,145	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	Repair and maintenance of IT products	4,192	-	-	100.00	2,783	-	100.00	(1,419)	Note 1	Parent/Subsidiary
AST	ISU	Taiwan	Human resources and project service	20,000	20,000	2,000	100.00	38,576	2,000	100.00	17,409	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	-	1	100.00	11,657	1	100.00	(2,199)	Note 1	Parent/Subsidiary
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	27,195	1,244	24.88	32,327	Note 1	Associate
ADSC	APDI	Taiwan	Solar optronics business	29,577	29,577	2,958	100.00	38,156	2,958	100.00	1,184	Note 1	Parent/Subsidiary
ADSC	ASDI	Taiwan	Hotel management service	500,000	500,000	5,000	100.00	58,571	22,593	100.00	10,932	Note 1	Parent/Subsidiary
ADSC	AGM	Taiwan	Agency of video game console and peripherals	-	10,000	-	-	-	1,000	100.00	32,391	Note 1	Parent/Subsidiary
ADSC	Kbest	Taiwan	Development and manufacturing of radio and microwave equipment	129,293	129,293	4,713	29.84	32,937	4,713	29.84	26,851	Note 1	Associate

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2021			Maximum ownership during 2021		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
ASDI	Kbest	Taiwan	Development and manufacturing of radio and microwave equipment	3,997	3,997	0	0.00	0	286	1.81	26,851	Note 1	Associate
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	9,885	452	9.05	32,327	Note 1	Associate
WLII	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,568	882	30.22	9,019	Note 1	Associate
WLII	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	16,576	1,000	100.00	9,841	Note 1	Parent/Subsidiary
WLII	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	275,656	6,000	20.00	320,613	Note 1	Associate
WLII	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	730	75	75.00	58	Note 1	Parent/Subsidiary
WLII	PGL	Cayman Islands	Investment and holding activity	337,906	152,983	2,550	51.00	335,224	2,550	51.00	143,530	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,257,417	109,639	7.98	1,846,032	Note 1	Fellow subsidiaries
ACTI	GrandPAD	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.88	169,885	436	32.01	(24,570)	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(1,613)	100	100.00	(1,620)	Note 1	Parent/Subsidiary
Bluechip	DingoTech	Australia	Investment and holding activity	110,110	-	1	100.00	109,985	1	100.00	8,864	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	-	3,600	100.00	112,634	3,600	100.00	340	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	275,612	275,612	26,404	72.44	639,809	32,000	87.79	337,191	Note 1	Parent/Subsidiary
ABH	ACTTW	Taiwan	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	955,056	955,056	2,900	100.00	(32,918)	42,694	100.00	(23,969)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	141,711	141,711	7,249	100.00	61,003	7,249	100.00	4,428	Note 1	Parent/Subsidiary
ABH	ALT	Taiwan	High performance computing, cloud computing, software-defined storage, and IT solution	78,613	78,613	6,581	78.59	63,156	6,581	86.59	(11,515)	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	394,772	394,772	34,308	94.41	105,848	34,308	94.41	(48,685)	Note 1	Parent/Subsidiary
ABH	AMED	Taiwan	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	83,490	50,000	7,299	60.83	69,820	5,000	100.00	(33,482)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(6,157)	1,989	49.00	(12,508)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle	38,173	38,173	2,310	100.00	12,417	2,310	100.00	194	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	50,676	50,676	2,947	100.00	1,855	2,947	100.00	(3,228)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(6,409)	2,071	51.00	(12,508)	Note 1	Parent/Subsidiary
ACTTW	ABST	Taiwan	Technical service and research of aBeing cloud digital content management	300,000	300,000	2,500	100.00	(62,026)	30,000	100.00	(14,807)	Note 1	Parent/Subsidiary
ABST	ABSG	Germany	Technical service and research of aBeing cloud digital content management	325,630	291,910	6,029	100.00	(21,806)	6,029	100.00	(16,637)	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	-	1,000	100.00	7,640	1,000	100.00	(2,360)	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	0	11.27	22,733	570	15.54	28,407	Note 1	Fellow subsidiaries
AOI	AOA	U.S.A.	Sale of computer, apparatus system, and peripheral equipment	295,771	295,771	15,000	100.00	(154,426)	15,000	100.00	10,317	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1	100.00	(21,607)	1	100.00	6,576	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Sale of computer, apparatus system, and peripheral equipment	1,623	1,623	50	100.00	267,627	50	100.00	20,153	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	27,769	1	100.00	1,663	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	60,000	60,000	4,000	100.00	38,554	4,000	100.00	(2,478)	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	11,907	105	70.00	(4,230)	Note 1	Parent/Subsidiary
AOI	HTW	Hong Kong	Software development and agency	405	405	100	100.00	701	100	100.00	2	Note 1	Parent/Subsidiary
AOI	AOSD	Taiwan	Sale of display device	0	20,000	0	-	-	2,500	100.00	38,132	Note 1	Parent/Subsidiary

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2021			Maximum ownership during 2021		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
AOI	MPL	Australia	Sale of computer, apparatus system, and peripheral equipment	-	22,887	-	-	-	39	27.21	(57,752)	Note 1	Associate
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	376,238	376,238	6,664	17.28	317,106	6,664	20.07	204,514	Note 1	Associate
AOTH	GCL	Hong Kong	Sale of computer, apparatus system, and peripheral equipment	2,675	2,675	300	100.00	3,511	300	100.00	1	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	16,446	1	100.00	(2,718)	Note 1	Parent/Subsidiary

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

Acer Incorporated and Subsidiaries
Information on Investments in Mainland China
For the year ended December 31, 2021

Table 9

(Amounts in Thousands of New Taiwan Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2021		Share of profits/ losses of investee	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	83,070	1	83,070	-	-	83,070	3,283	100.00	-	100.00	3,283	(866)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	41,535	2	-	-	-	-	2,819	100.00	-	100.00	2,819	213,726	-
Acer Computer (Shanghai) Ltd.	Sale of brand-name IT products	55,380	2	55,380	-	-	55,380	15,766	100.00	-	100.00	15,766	1,210,825	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,153,500	2	4,264,260 (Note 2)	-	-	4,264,260	112,908	100.00	-	100.00	112,908	4,446,417	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	138,450	1	138,450	-	-	138,450	(2,887)	100.00	-	100.00	(2,887)	30,927	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	26,139	1	(Note 3)	-	-	-	(10,084)	30.00	-	30.00	(3,025)	7,357	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	8,324	1	8,324	-	-	8,324	(378)	100.00	-	100.00	(378)	5,324	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	13,069	1	(Note 3)	-	-	-	5,616	30.00	-	30.00	1,685	8,496	-
Acer China Venture Corp	Fund company management	21,782	1	21,782	-	-	21,782	(1,681)	100.00	-	100.00	(1,681)	2,593	-
Acer China Venture Partnership (Limited Partnership)	Investment fund	65,347	1	60,990 (Note 4)	-	-	60,990	(18)	100.00	-	100.00	(18)	9,270	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,356	1	4,356	-	-	4,356	5	100.00	-	100.00	5	8,901	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,168	1	19,168	-	-	19,168	10,148	100.00	-	100.00	10,148	93,292	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	3,711	100.00	-	100.00	3,711	25,708	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	13,845	1	13,845	-	-	13,845	13,644	100.00	-	100.00	13,644	34,569	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(172)	100.00	-	100.00	(172)	15,333	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	13,245	100.00	-	100.00	13,245	249,166	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	17,999	2	-	-	-	-	36,288	100.00	-	100.00	12,868	128,892	-

Note 1: Method of Investment:
Type 1: Direct investment in Mainland China.
Type 2: Indirect investment in Mainland China through a holding company established in other countries.
Note 2: Acer Intellectual (Chongqing) Limited had merged with Acer (Chongqing) Ltd. in 2014, and Acer (Chongqing) Ltd. was the surviving entity from the merger. This amount included the original investment in Acer Intellectual (Chongqing) Limited of $110,760 (US$ 4,000 thousand).
Note 3: Innovation and Commercialization Accelerator Inc. and Consumer Insights Research (Chongqing) Inc. were reinvested by Acer Cloud Technology(Chongqing) Ltd.
Note 4: Acer China Venture Partnership was invested by the Company and Acer China Venture Corp of $60,533 and $4,324, respectively.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2021 (Note 5)(Note 6)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)(Note 6)	Upper Limit on Investment Authorized by Investment
The Company and Subsidiaries	$5,242,655 (US$189,333,880)	$6,694,580 (US$241,768,884.5)	(Note)

Note 5: In September, 2008, AOI had disposed all shares of JNS Technology Co., Ltd., and the proceeds from the disposal of US$ 730,000 had been remitted to AOI in March 2010.
AOI has not yet to report to MOEA, therefore, the amout of US$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 6: T-Conn Precision(Zhongshan) Co., Ltd., indirectly invested by AOI, had been dissolved and the related liquidation process has been completed. The liquidation proceeds of US$ 31,549.06 (according to ownership percentage of 19%) has been remitted to Super Elite Ltd., a holding company established in other countries. On March 12, 2010, AOI has obtained MOEA's approval to withdraw its investment. However, the amount of accumulated investment in Mainland China still included the amount of US$ 57,000 due to the liquidation of capital which has yet to be remitted to Taiwan.

The above amounts were translated into New Taiwan dollars at the exchange rate of US$1=NT$27.69 as of December 31, 2021.
Note: Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limitation on investment in Mainland China.

Appendix II

2021 Parent-Company-Only Financial Statements

Stock Code:2353

ACER INCORPORATED

Parent-Company-Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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 of the parent-company-only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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, 2021 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.

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(f) for the details of the write-down of inventories.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of the computech industry and fierce market competition, the Company's product price may fluctuate rapidly. Furthermore, the stocks for products and 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(g) for the evaluation of goodwill impairment.

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 estimation base 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 business forecasts, and performing a sensitivity analysis of 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 parent-company-only financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in 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 aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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, 2022

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 20,564,678	13	15,999,824	12
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	443,248	-	156,738	-
1120	Financial assets measured at fair value through other comprehensive income－current (note 6(c))	-	-	51,857	-
1140	Contract assets－current (note 6(u))	-	-	250	-
1170	Notes and accounts receivable, net (notes 6(d) & (u))	6,335,764	4	5,910,659	5
1180	Notes and accounts receivable from related parties (notes 6(d) & (u) and 7)	37,518,525	23	24,595,958	18
1200	Other receivables, net (note 6(e))	263,174	-	206,551	-
1210	Other receivables from related parties (notes 6(e) and 7)	664,582	-	214,152	-
130X	Inventories (note 6(f))	16,213,599	10	13,657,588	10
1470	Other current assets	245,025	-	226,214	-
	Total current assets	82,248,595	50	61,019,791	45
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(c))	6,690,542	4	4,656,750	3
1550	Investments accounted for using the equity method (note 6(g))	67,951,695	42	66,039,920	49
1600	Property, plant and equipment (note 6(h))	1,740,178	1	1,844,520	1
1755	Right-of-use assets (note 6(i))	76,756	-	73,967	-
1760	Investment property (note 6(j))	811,781	1	724,504	1
1780	Intangible assets (note 6(k))	175,814	-	180,529	-
1840	Deferred income tax assets (note 6(r))	3,100,650	2	1,911,708	1
1900	Other non-current assets	40,261	-	61,608	-
1980	Other financial assets－non-current (note 8)	160,566	-	88,955	-
	Total non-current assets	80,748,243	50	75,582,461	55
	Total assets	**$ 162,996,838**	**100**	**136,602,252**	**100**

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b))	$ 145,969	-	943,985	1
2130	Contract liabilities－current (note 6(u))	9,512	-	79,131	-
2170	Notes and accounts payable	47,977,844	30	41,949,644	31
2180	Accounts payable to related parties (note 7)	628,865	-	503,171	-
2200	Other payables (note 6(v))	26,560,173	17	18,406,873	13
2220	Other payables to related parties (note 7)	518,175	-	763,946	1
2250	Provisions－current (note 6(o) and 9)	834,725	1	742,153	1
2230	Current tax liabilities	3,502,017	2	1,680,371	1
2280	Lease liabilities－current (note 6(n))	43,432	-	60,449	-
2365	Refund liabilities－current	3,636,287	2	3,650,911	3
2399	Other current liabilities	434,939	-	433,513	-
	Total current liabilities	84,291,938	52	69,214,147	51
	Non-current liabilities:				
2540	Long-term debt (note 6(l))	-	-	3,300,000	3
2530	Bonds payable(note 6(m))	10,000,000	6	-	-
2570	Deferred income tax liabilities (note 6(r))	4,234,394	3	3,153,296	2
2580	Lease liabilities－non-current (note 6(n))	33,810	-	14,236	-
2600	Other non-current liabilities (note 6(q))	745,386	-	607,208	-
2622	Long-term payable to related parties (note 7)	14,594	-	20,034	-
	Total non-current liabilities	15,028,184	9	7,094,774	5
	Total liabilities	99,320,122	61	76,308,921	56
	Equity (note 6(s)):				
3110	Common stock	30,478,538	19	30,478,538	22
3200	Capital surplus	27,514,269	17	27,378,068	20
	Retained earnings:				
3310	Legal reserve	1,456,427	1	853,852	1
3320	Special reserve	4,833,750	3	3,976,265	3
3350	Unappropriated retained earnings	10,596,212	6	6,038,916	4
3400	Other equity	(8,287,624)	(5)	(5,517,452)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)
	Total equity	63,676,716	39	60,293,331	44
	Total liabilities and equity	**$ 162,996,838**	**100**	**136,602,252**	**100**

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	**Net revenue (notes 6(u) and 7)**	$ 246,828,456	100	209,586,473	100
5000	**Cost of revenue (notes 6(f) & (o) and 7)**	(231,450,073)	(94)	(199,065,721)	(95)
	Gross profit before realized gross profit on sales to subsidiaries, associates and joint ventures	15,378,383	6	10,520,752	5
5920	(Unrealized) realized gross profit on sales to subsidiaries, associates and joint ventures	(45,415)	-	2,440	-
	Gross profit	15,332,968	6	10,523,192	5
	Operating expenses (notes 6(d), (h), (i), (j), (k), (n), (o), (p), (q) & (v), 7 and 12):				
6100	Selling expenses	(3,325,745)	(1)	(3,034,971)	(1)
6200	General and administrative expenses	(1,459,183)	(1)	(1,165,863)	(1)
6300	Research and development expenses	(2,204,357)	(1)	(1,986,440)	(1)
	Total operating expenses	(6,989,285)	(3)	(6,187,274)	(3)
6500	**Other operating income and expenses, net (notes 6(p) & (w) and 7)**	161,174	-	154,916	-
	Operating income	8,504,857	3	4,490,834	2
	Non-operating income and loss:				
7100	Interest income (notes 6(x) and 7)	42,434	-	50,577	-
7010	Other income (note 6(x))	287,772	-	185,228	-
7020	Other gains and losses (notes 6(x) and 7)	(33,924)	-	178,477	-
7050	Finance costs (notes 6(n) & (x) and 7)	(51,662)	-	(65,529)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(g))	4,953,384	2	2,524,675	2
	Total non-operating income and loss	5,198,004	2	2,873,428	2
	Income before taxes	13,702,861	5	7,364,262	4
7950	**Income tax expenses (note 6(r))**	(2,805,434)	(1)	(1,334,975)	(1)
	Net Income	10,897,427	4	6,029,287	3
	Other comprehensive income (loss) (notes 6(g), (q), (r), (s) & (y)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	(157,368)	-	(5,026)	-
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	(83,057)	-	716,961	-
8330	Share of other comprehensive losses of subsidiaries and associates	(103,357)	-	(35,859)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	31,474	-	1,005	-
	Total items that will not be reclassified subsequently to profit or loss	(312,308)	-	677,081	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(2,766,226)	(1)	(1,855,833)	(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	(2,766,226)	(1)	(1,855,833)	(1)
	Other comprehensive loss, net of taxes	(3,078,534)	(1)	(1,178,752)	(1)
	Total comprehensive income for the year	**$ 7,818,893**	**3**	**4,850,535**	**2**
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	**$**	**3.63**		**2.01**
9850	Diluted earnings per share	**$**	**3.60**		**1.99**

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity
Balance at January 1, 2020	$ 30,749,338	28,152,962	587,602	2,940,572	2,668,082	6,196,256	(4,187,394)	133,070	(287,903)	(4,342,227)	(2,914,856)	57,841,473
Net income for the year	-	-	-	-	6,029,287	6,029,287	-	-	-	-	-	6,029,287
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,855,833)	632,065	45,016	(1,178,752)	-	(1,178,752)
Total comprehensive income (loss) for the year	-	-	-	-	6,029,287	6,029,287	(1,855,833)	632,065	45,016	(1,178,752)	-	4,850,535
Appropriation approved by the stockholders:												
Legal reserve	-	-	266,250	-	(266,250)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,035,693	(1,035,693)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,352,971)	(1,352,971)	-	-	-	-	-	(1,352,971)
Cash distributed from capital surplus	-	(1,014,728)	-	-	-	-	-	-	-	-	-	(1,014,728)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,416	-	-	-	-	-	-	-	-	-	36,416
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(361,943)	(361,943)
Retirement of treasury share	(270,800)	(91,143)	-	-	-	-	-	-	-	-	361,943	-
Share of changes in equity of associates	-	76,443	-	-	-	-	-	-	-	-	-	76,443
Changes in ownership interests in subsidiaries	-	43,604	-	-	-	-	-	-	-	-	-	43,604
Difference between consideration and carrying amount of subsidiaries disposed	-	174,404	-	-	-	-	-	-	-	-	-	174,404
Reorganization under common control	-	-	-	-	(12)	(12)	-	-	-	-	-	(12)
Stock option compensation cost of subsidiaries	-	110	-	-	-	-	-	-	-	-	-	110
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(3,527)	(3,527)	-	3,527	-	3,527	-	-
Balance at December 31, 2020	30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,869,033	(6,043,227)	768,662	(242,887)	(5,517,452)	(2,914,856)	60,293,331
Net income for the year	-	-	-	-	10,897,427	10,897,427	-	-	-	-	-	10,897,427
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,766,226)	(324,225)	11,917	(3,078,534)	-	(3,078,534)
Total comprehensive income (loss) for the year	-	-	-	-	10,897,427	10,897,427	(2,766,226)	(324,225)	11,917	(3,078,534)	-	7,818,893
Appropriation approved by the stockholders:												
Legal reserve	-	-	602,575	-	(602,575)	-	-	-	-	-	-	-
Special reserve	-	-	-	857,485	(857,485)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119
Share of changes in equity of associates	-	(24,908)	-	-	-	-	-	-	-	-	-	(24,908)
Changes in ownership interests in subsidiaries	-	60,105	-	-	-	-	3,856	(6,544)	2,760	72	-	60,177
Difference between consideration and carrying amount of subsidiaries aquired or disposed	-	29,880	-	-	-	-	-	-	-	-	-	29,880
Stock option compensation cost of subsidiaries	-	1,005	-	-	-	-	-	-	-	-	-	1,005
Disposal of financial assets measured at fair value through other comprehensive income by the company	-	-	-	-	40,230	40,230	-	(40,230)	-	(40,230)	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(348,520)	(348,520)	-	348,520	-	348,520	-	-
Balance at December 31, 2021	**$ 30,478,538**	**27,514,269**	**1,456,427**	**4,833,750**	**10,596,212**	**16,886,389**	**(8,805,597)**	**746,183**	**(228,210)**	**(8,287,624)**	**(2,914,856)**	**63,676,716**

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before income tax	$ 13,702,861	7,364,262
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	140,120	154,282
Amortization	24,593	44,041
Net loss on financial assets measured at fair value through profit or loss	406	1,268
Interest expense	51,662	65,529
Interest income	(42,434)	(50,577)
Dividend income	(287,772)	(185,228)
Share of profits of subsidiaries, associates and joint ventures	(4,953,384)	(2,524,675)
Gain on disposal of equipment and intangible assets	(657)	(1,181)
Property, Plant and equipment reclassified to expenses	917	-
Unrealized (realized) profit on sales to subsidiaries, associates and joint ventures	45,415	(2,440)
Acquisition of financial asset by contribution of technical know-how	-	(17,421)
Other profits from investment	(196)	-
Total adjustments for profit or loss	(5,021,330)	(2,516,402)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(1,084,932)	650,016
Contract assets	250	1,758
Notes and accounts receivable	(425,105)	(2,045,779)
Notes and accounts receivable from related parties	(12,922,567)	(2,632,315)
Inventories	(2,563,051)	(980,229)
Other receivables and other current assets	(70,225)	3,436
Changes in operating assets	(17,065,630)	(5,003,113)
Changes in operating liabilities:		
Notes and accounts payable	6,028,200	13,931,231
Payables to related parties	159,923	437,903
Refund liabilities	(14,624)	833,999
Other payables and other current liabilities	8,119,742	2,652,811
Provisions	92,572	25,313
Contract liabilities	(69,619)	(28,167)
Other non-current liabilities and long-term payables to related parties	(24,630)	(84,826)
Changes in operating liabilities	14,291,564	17,768,264
Cash provided by operations	5,907,465	17,613,011
Interest received	42,317	50,566
Income taxes paid	(1,065,249)	(13,457)
Net cash provided by operating activities	4,884,533	17,650,120

(Continued)

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

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

ACER INCORPORATED

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

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(2,175,540)	(297,000)
Proceeds from disposal of financial assets 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	2,746
Additions to investments accounted for using the equity method	(113,655)	(43,365)
Proceeds from disposal of investments accounted for using the equity method	66,165	29,930
Proceeds from capital return of investments accounted for using the equity method	-	602,819
Additions to property, plant and equipment and investment property	(40,378)	(43,789)
Proceeds from disposal of equipment and intangible assets	895	5,251
Increase in receivables from related parties	(412,338)	(84,106)
Additions to intangible assets	(7,810)	(410)
Cash outflows from business demerger	-	(27,718)
Increase in assets recognized from costs to fulfill contracts with customers	(2,438)	(19,096)
Increase in other non-current financial assets and other non-current assets	(59,894)	(5,096)
Dividends received	560,248	333,191
Net cash flows provided by (used in) investing activities	(2,074,197)	453,357
Cash flows from financing activities:		
Increase in short-term borrowings	23,465,683	5,233,942
Decrease in short-term borrowings	(23,465,683)	(5,233,942)
Proceeds from issuing bonds	10,000,000	-
Repayment of long-term debt	(3,300,000)	(2,500,000)
Payment of lease liabilities	(77,024)	(78,575)
Decrease in loans from related parties	(280,000)	(813,000)
Cash dividends	(4,571,781)	(1,352,971)
Cash distributed from capital surplus	-	(1,014,728)
Purchase of treasury stock	-	(361,943)
Interest paid	(16,677)	(66,019)
Net cash flows provided by (used in) financing activities	1,754,518	(6,187,236)
Net increase in cash and cash equivalents	4,564,854	11,916,241
Cash and cash equivalents at beginning of period	15,999,824	4,083,583
Cash and cash equivalents at end of period	**$ 20,564,678**	**15,999,824**

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

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

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

For the years ended December 31, 2021 and 2020

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

1. Organization and business

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

The Company primarily engages in marketing and sale of brand-name IT products, as well as providing electronic information services to its clients. The Company aims at the integrated applications of Internet of Things (IoT) and service-oriented technology to provide more products and integrated applications combining software, hardware and service for consumer and commercial markets.

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

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 16, 2022.

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

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its parent-company-only financial position and parent-company-only financial performance. The results thereof will be disclosed when the Company completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

4. Summary of significant accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(c) Foreign currency

(i) Foreign currency transactions

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

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(ii) Foreign operations

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

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

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

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

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

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

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

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

(Continued)

(e) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method, less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

2) Financial assets measured at fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

3) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

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

(Continued)

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

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

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

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

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

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

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

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

5) Derecognition of financial assets

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

(Continued)

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

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

3) Treasury stock

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

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

The Company designates certain derivative instruments as either fair value hedges or cash flow hedges. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows or fair value of the hedged item and hedging instrument are expected to offset each other.

1) Fair value hedge

Changes in the fair value of a hedging instrument that is qualified as a fair value hedge are recognized in profit or loss (or other comprehensive income, if the hedged item is equity instrument measured at FVOCI).

2) Cash flow hedge

When a derivative is designated and qualified as a cash flow hedging instrument, the effective portion of changes in the fair value is recognized in other comprehensive income and accumulated in “other equity —gains (losses) on hedging instruments”, and is limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the same periods when the hedged item is recognized in profit or loss, and are included in the same account in the statements of comprehensive income as the hedged item.

(g) Inventories

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

(Continued)

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Notes to Parent-Company-Only Financial Statements

(h) Investments accounted for using the equity method

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

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

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

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

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

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

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

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

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

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

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

(i) Investments in subsidiaries

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

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

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment property

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

(iii) Subsequent costs

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

(iv) Depreciation

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

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

(Continued)

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

(k) Investment property

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

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

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

(l) Leases

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

(i) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Company's assessment on whether it will exercise an option to purchase the underlying asset, or;
- there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications in lease subject, scope of the lease or other terms.

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

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

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

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

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

(Continued)

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(ii) As a lessor

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

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

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

(m) Intangible assets

(i) Goodwill

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

(ii) Trademarks

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

(iii) Other intangible assets

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

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

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(n) Impairment of non-financial assets

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

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

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

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

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

(o) Provisions

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

(i) Warranties

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

(ii) Others

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

(Continued)

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Notes to Parent-Company-Only Financial Statements

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

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

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

2) Revenue from service rendered

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

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

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

3) Financing components

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

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

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

2) Assets recognized from costs to fulfill contracts with customers

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

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

(Continued)

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

(q) Government grant

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

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

Government grant is recorded in other operating income and expenses.

(r) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(s) Share-based payment

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

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

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

(t) Income taxes

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

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

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(Continued)

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

1) the same taxable entity; or

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

(u) Earnings per share (“EPS”)

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

(v) Operating segments

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

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Notes to Parent-Company-Only Financial Statements

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

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

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

(a) Revenue recognition (accrual of sales return and allowance)

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

(b) Valuation of inventory

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

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

(c) Impairment of goodwill from investments in subsidiaries

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

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Notes to Parent-Company-Only Financial Statements

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 514	514
Bank deposits	18,814,366	8,405,609
Time deposits	1,749,798	7,593,701
	$ 20,564,678	**15,999,824**

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

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	$ 441,494	154,578
Non-derivative financial assets		
Stocks listed on foreign markets	1,754	2,160
	$ 443,248	**156,738**
Financial liabilities held for trading－current:		
Derivatives－Foreign currency forward contracts	**$ (145,969)**	**(943,985)**

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

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

(i) Foreign currency forward contracts

December 31, 2021			
Contract amount (in thousands)		**Currency**	**Maturity period**
USD	595,000	USD / NTD	2022/01
USD	669,048	EUR / USD	2022/01~2022/05
USD	10,494	NZD / USD	2022/01~2022/05
USD	115,082	AUD / USD	2022/01~2022/06
USD	31,917	USD / JPY	2022/01~2022/08
USD	214,969	USD / INR	2022/01~2022/06

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December 31, 2020				
Contract amount (in thousands)		**Currency**		**Maturity period**
USD	594,000	USD / NTD		2021/01
USD	434,729	EUR / USD		2021/01~2021/05
USD	12,220	NZD / USD		2021/01~2021/05
USD	76,759	AUD / USD		2021/04~2021/05
USD	146,869	USD / JPY		2021/01~2021/07
USD	117,419	USD / INR		2021/01~2021/07

(c) Financial assets measured at fair value through other comprehensive income

	December 31, 2021	**December 31, 2020**
Equity investments measured at fair value through other comprehensive income		
Domestic listed stock	$ 6,533,121	4,568,341
Domestic unlisted stock	157,421	140,266
	$ 6,690,542	**4,708,607**
Current	$ -	51,857
Non-current	6,690,542	4,656,750
	$ 6,690,542	**4,708,607**

The Company designated the investments shown above financial assets measured as at fair value through other comprehensive income because these equity instruments are held for long-term strategic purposes and not for trading. Certain financial assets measured at FVOCI were disposed of in 2021, the related gain accumulated in other comprehensive income of $40,230 has been reclassified from other equity to retained earnings, accordingly.

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

	December 31, 2021	**December 31, 2020**
Notes receivable	$ 14,619	16,502
Accounts receivable	6,322,943	5,896,378
Less: loss allowance	(1,798)	(2,221)
	6,335,764	5,910,659
Notes and accounts receivable from related parties (note 7(b))	37,518,525	24,595,958
	$ 43,854,289	**30,506,617**

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

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 5,579,837	0.03%	(1,798)
Past due 1-30 days	704,925	0.00%	-
Past due 31-60 days	34,807	0.00%	-
Past due 61-90 days	14,418	0.00%	-
Past due 91-180 days	3,556	0.00%	-
Past due 181 days or over	19	0.00%	-
	$ 6,337,562		**(1,798)**

	December 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 5,135,039	0.04%	(1,925)
Past due 1-30 days	527,116	0.04%	(188)
Past due 31-60 days	60,375	0.17%	(101)
Past due 61-90 days	189,767	0.00%	-
Past due 91-180 days	489	1.43%	(7)
Past due 181 days or over	94	0.00%	-
	$ 5,912,880		**(2,221)**

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As of December 31, 2021 and 2020, no expected credit losses was provided for abovementioned notes and accounts receivable from related parties after management's assessment. The analysis was as follows:

	December 31, 2021	December 31, 2020
Current	$ 34,606,560	19,989,238
Past due 1-30 days	2,053,424	1,509,349
Past due 31-60 days	389,904	1,941,296
Past due 61-90 days	222,040	711,999
Past due 91-180 days	163,924	358,961
Past due 181 days or over	82,673	85,115
	$ 37,518,525	**24,595,958**

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

	2021	2020
Balance at January 1	$ 2,221	3,613
Impairment losses reversed	(423)	(1,051)
Write-off	-	(341)
Balance at December 31	**$ 1,798**	**2,221**

(e) Other receivables, net

	December 31, 2021	December 31, 2020
Other receivables from related parties (note 7(b))	$ 664,582	214,152
Reimbursement of advertising expense	157,508	19,474
Purchase discount	85,860	171,381
Others	19,956	16,551
	927,906	421,558
Less: loss allowance	(150)	(855)
	$ 927,756	**420,703**

As of December 31, 2021 and 2020, except for the loss allowance fully provided for certain other receivables, no other loss allowance was provided for other receivables after management's assessment.

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(f) Inventories

	December 31, 2021	December 31, 2020
Raw materials	$ 14,497,453	12,581,388
Finished goods and merchandise	815,669	649,950
Spare parts	57,484	84,461
Inventories in transit	842,993	341,789
	$ 16,213,599	**13,657,588**

For the years ended December 31, 2021 and 2020, the amounts of inventories recognized as cost of revenues were $214,865,824 and $183,044,036, respectively, of which $959,823 and $(309,033), respectively, was the write-down of inventories (reversal of write-downs). The write-downs arose from the write-down of inventories to net realizable value. The reversal of write-downs arose from the increase in the net realizable value or sale of inventories, and the circumstance of net realizable value of inventory to be lower than its cost no longer existed.

(g) Investments accounted for using the equity method

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

	December 31, 2021	December 31, 2020
Subsidiaries	$ 67,870,064	65,941,416
Associates	10,030	9,186
Joint Ventures	71,601	89,318
	$ 67,951,695	**66,039,920**

(i) For the information of subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2021.

(ii) The Company has performed an impairment test for Goodwill from investment in subsidiaries, and there was no impairment as a result of the test. Please refer to the consolidated financial statements for the year ended December 31, 2021 for the description of the impairment of goodwill.

(iii) Associates and joint venture

	December 31, 2021		December 31, 2020	
Name of Associates and Joint Venture	**Percentage of ownership**	**Carrying amount**	**Percentage of ownership**	**Carrying amount**
Associates	-	$ 10,030	-	9,186
Joint Venture:				
Smart Frequency Technology Inc. (“SFT”, note (i))	55.00	71,601	55.00	89,318
		$ 81,631		**98,504**

Note (i): According to the joint venture agreement with a third party, the Company and the other party have joint control over SFT. Accordingly, this investment is accounted for using the equity method.

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		2021	2020
The Company’s share of net income (loss) of the associates:			
Net income	$	844	595
Other comprehensive income		-	-
Total comprehensive income	$	**844**	**595**

		2021	2020
The Company’s share of net loss of the joint venture:			
Net loss	$	(17,717)	(19,713)
Other comprehensive income		-	-
Total comprehensive loss	$	**(17,717)**	**(19,713)**

(h) Property, plant and equipment

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

		Land	Buildings	Computer and communication equipment	Other equipment	Total
Cost or deemed cost:						
Balance at January 1, 2021	$	1,550,181	2,774,665	583,180	274,992	5,183,018
Additions		-	23,956	12,480	3,498	39,934
Disposals		-	-	(63,175)	(2,678)	(65,853)
Reclassifications		(122,442)	(256,672)	1,540	186	(377,388)
Balance at December 31, 2021	$	**1,427,739**	**2,541,949**	**534,025**	**275,998**	**4,779,711**
Balance at January 1, 2020	$	963,542	1,413,224	607,864	280,743	3,265,373
Additions		-	14,080	10,507	4,787	29,374
Disposals		-	-	(52,714)	(8,840)	(61,554)
Reclassifications		586,639	1,347,361	17,523	(1,698)	1,949,825
Balance at December 31, 2020	$	**1,550,181**	**2,774,665**	**583,180**	**274,992**	**5,183,018**
Accumulated depreciation and impairment loss:						
Balance at January 1, 2021	$	320,087	2,223,737	541,365	253,309	3,338,498
Depreciation		-	24,503	18,763	9,725	52,991
Disposals		-	-	(63,034)	(2,581)	(65,615)
Reclassifications		(41,210)	(240,734)	(4,583)	186	(286,341)
Balance at December 31, 2021	$	**278,877**	**2,007,506**	**492,511**	**260,639**	**3,039,533**
Balance at January 1, 2020	$	126,540	1,010,242	567,890	249,816	1,954,488
Depreciation		-	25,279	22,785	13,199	61,263
Disposals		-	-	(49,310)	(8,174)	(57,484)
Reclassifications		193,547	1,188,216	-	(1,532)	1,380,231
Balance at December 31, 2020	$	**320,087**	**2,223,737**	**541,365**	**253,309**	**3,338,498**
Carrying amounts:						
Balance at December 31, 2021	$	**1,148,862**	**534,443**	**41,514**	**15,359**	**1,740,178**
Balance at December 31, 2020	$	**1,230,094**	**550,928**	**41,815**	**21,683**	**1,844,520**

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(i) Right-of-use assets

		Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2021	$	205,855	6,117	211,972
Additions		79,645	-	79,645
Disposals		(110,572)	-	(110,572)
Balance at December 31, 2021	**$**	**174,928**	**6,117**	**181,045**
Balance at January 1, 2020	$	208,362	3,332	211,694
Additions		13,115	6,117	19,232
Disposals		(15,622)	(3,332)	(18,954)
Balance at December 31, 2020	**$**	**205,855**	**6,117**	**211,972**
Accumulated depreciation:				
Balance at January 1, 2021	$	137,425	580	138,005
Depreciation		74,753	2,039	76,792
Disposals		(110,508)	-	(110,508)
Balance at December 31, 2021	**$**	**101,670**	**2,619**	**104,289**
Balance at January 1, 2020	$	76,672	1,973	78,645
Depreciation		76,375	1,939	78,314
Disposals		(15,622)	(3,332)	(18,954)
Balance at December 31, 2020	**$**	**137,425**	**580**	**138,005**
Carrying amount:				
Balance at December 31, 2021	**$**	**73,258**	**3,498**	**76,756**
Balance at December 31, 2020	**$**	**68,430**	**5,537**	**73,967**

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(j) Investment property

	Land	Buildings	Total
Cost or deemed cost:			
Balance at January 1, 2021	$ 718,427	1,905,121	2,623,548
Additions	-	444	444
Reclassifications	122,442	256,771	379,213
Balance at December 31, 2021	**$ 840,869**	**2,162,336**	**3,003,205**
Balance at January 1, 2020	$ 1,305,066	3,237,899	4,542,965
Additions	-	14,415	14,415
Reclassifications	(586,639)	(1,347,193)	(1,933,832)
Balance at December 31, 2020	**$ 718,427**	**1,905,121**	**2,623,548**
Accumulated depreciation and impairment loss:			
Balance at January 1, 2021	$ 233,500	1,665,544	1,899,044
Depreciation	-	10,337	10,337
Reclassifications	41,210	240,833	282,043
Balance at December 31, 2021	**$ 274,710**	**1,916,714**	**2,191,424**
Balance at January 1, 2020	$ 427,047	2,839,053	3,266,100
Depreciation	-	14,705	14,705
Reclassifications	(193,547)	(1,188,214)	(1,381,761)
Balance at December 31, 2020	**$ 233,500**	**1,665,544**	**1,899,044**
Carrying amounts:			
Balance at December 31, 2021	**$ 566,159**	**245,622**	**811,781**
Balance at December 31, 2020	**$ 484,927**	**239,577**	**724,504**
Fair value:			
Balance at December 31, 2021			**$ 1,242,984**
Balance at December 31, 2020			**$ 1,130,556**

The fair value of the investment property is determined by referring to the market price of similar real estate transaction or the value in use of the investment property. The value in use is the present value of the future cash flows from continuous lease activities. On December 31, 2021 and 2020, the estimated discount rate used for calculating the present value of the future cash flows was 5.79% and 5.18%, respectively.

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(k) Intangible assets

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

		Goodwill	Trademarks and trade names	Patent	Software	Total
Net balance at January 1, 2021:						
Cost	$	166,604	7,489,298	1,344,680	670,320	9,670,902
Accumulated amortization and impairment loss		-	(7,489,298)	(1,337,199)	(663,876)	(9,490,373)
Net balance at January 1, 2021		166,604	-	7,481	6,444	180,529
Additions		-	-	-	7,810	7,810
Amortization		-	-	(5,796)	(6,729)	(12,525)
Net balance at December 31, 2021	**$**	**166,604**	-	**1,685**	**7,525**	**175,814**
Net balance at December 31, 2021:						
Cost	$	166,604	7,489,298	1,344,680	669,019	9,669,601
Accumulated amortization and impairment loss		-	(7,489,298)	(1,342,995)	(661,494)	(9,493,787)
	$	**166,604**	-	**1,685**	**7,525**	**175,814**
Net balance at January 1, 2020:						
Cost	$	166,604	7,489,298	1,344,680	669,968	9,670,550
Accumulated amortization and impairment loss		-	(7,489,298)	(1,319,116)	(654,221)	(9,462,635)
Net balance at January 1, 2020		166,604	-	25,564	15,747	207,915
Additions		-	-	-	410	410
Amortization		-	-	(18,083)	(9,713)	(27,796)
Net balance at December 31, 2020	**$**	**166,604**	-	**7,481**	**6,444**	**180,529**
Net balance at December 31, 2020:						
Cost	$	166,604	7,489,298	1,344,680	670,320	9,670,902
Accumulated amortization and impairment loss		-	(7,489,298)	(1,337,199)	(663,876)	(9,490,373)
	$	**166,604**	-	**7,481**	**6,444**	**180,529**

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

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(l) Long-term debt

Type of Loan	Creditor	Credit Line	Term	December 31, 2021	December 31, 2020
Unsecured loan	Bank of Taiwan	The term tranche of $4 billion may be withdrawn separately.	The interest is paid monthly starting September 2019. The principal will be repaid in lump sum amount when due in September 2022. Interest rate is adjusted quarterly.The principal was early repaid in May 2021.	-	3,300,000
				$ -	**3,300,000**
Unused credit facilities				**$ 8,469,000**	**4,400,000**
Interest rate				**-**	**0.90%**

No financial covenants were required for the unsecured loan agreements with Bank of Taiwan. Please refer to note 6(x) for related interest expense with respect to the abovementioned bank loans.

(m) Bonds payable

	December 31, 2021	December 31, 2020
Unsecured bonds payable	**$ 10,000,000**	**-**

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

(n) Lease liabilities

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

	December 31, 2021	December 31, 2020
Current	**$ 43,432**	**60,449**
Non-current	**$ 33,810**	**14,236**

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

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

	2021	2020
Interest on lease liabilities	$ 891	1,889
Expenses relating to short-term leases	$ 3,129	2,415
Expenses relating to leases of low-value assets	$ 33	36

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

	2021	2020
Total cash outflow for leases	$ 81,077	82,915

(iv) Major terms of leases

The Company leases buildings, vehicles, office equipment, and miscellaneous equipment with lease terms ranged from 1 to 6 years. As certain leases of office and miscellaneous equipment meet the definition of short-term lease or lease of low-value assets, the Company has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

(o) Provisions－current

	Warranties	Litigation	Environmental protection	Total
Balance at January 1, 2021	$ 482,287	199,556	60,310	742,153
Additions	312,444	-	46,402	358,846
Amount utilized	(214,101)	-	(45,092)	(259,193)
Effect of exchange rate changes	(1,355)	(5,726)	-	(7,081)
Balance at December 31, 2021	$ 579,275	193,830	61,620	834,725
Balance at January 1, 2020	$ 428,096	210,742	78,002	716,840
Additions	261,274	-	46,909	308,183
Amount utilized	(205,475)	-	(64,601)	(270,076)
Effect of exchange rate changes	(1,608)	(11,186)	-	(12,794)
Balance at December 31, 2020	$ 482,287	199,556	60,310	742,153

(i) Warranties

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

(ii) Litigation

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

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(iii) Environmental protection

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

(p) Operating lease

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

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

		December 31, 2021	December 31, 2020
Less than 1 year	$	82,025	96,074
1 year to 2 years		36,591	65,075
2 years to 3 years		22,939	33,130
3 years to 4 years		13,424	24,199
4 years to 5 years		11,160	15,134
Over 5 years		35,394	22,607
Total undiscounted lease payments	**$**	**201,533**	**256,219**

In 2021 and 2020, the rental income from investment property amounted to $104,831 and $124,335, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized were as follows:

		2021	2020
Arising from investment property that generated rental income during the period	$	34,756	40,879
Arising from investment property that did not generate rental income during the period		11,957	25,798
	$	**46,713**	**66,677**

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(q) Employee benefits

(i) Defined benefit plans

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

	December 31, 2021	December 31, 2020
Present value of benefit obligations	$ 945,444	890,212
Fair value of plan assets	(226,570)	(314,957)
Net defined benefit liabilities (reported under other non-current liabilities)	**$ 718,874**	**575,255**

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

1) Composition of plan assets

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

As of December 31, 2021 and 2020, the balances of aforementioned pension funds were $226,570 and $314,957, respectively. For information on the domestic labor pension fund assets (including the asset portfolio and yield of the fund), please refer to the website of the Bureau of Labor Funds.

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2) Movements in present value of the defined benefit obligations

		2021	2020
Defined benefit obligations at January 1	$	890,212	892,600
Current service costs		8,750	9,394
Interest expense		5,521	8,730
Remeasurement on the net defined benefit liabilities:			
Actuarial loss (gain) arising from experience adjustments		49,502	(22,698)
Actuarial loss (gain) arising from changes in demographic assumption		19,838	-
Actuarial loss (gain) arising from changes in financial assumption		90,527	35,564
Benefits paid by the company and the plan		(97,193)	(49,125)
Liabilities assumed (transferred) due to the Group's employee shift		(21,713)	15,747
Defined benefit obligations at December 31	**$**	**945,444**	**890,212**

3) Movements in fair value of plan assets

		2021	2020
Fair value of plan assets at January 1	$	314,957	346,535
Remeasurement on the net defined benefit liabilities			
Return on plan assets (excluding amounts included in net interest expense)		2,499	7,840
Benefits paid by the plan		(95,960)	(49,125)
Interest income		1,381	2,311
Contributions by the employer		27,103	24,701
Payments to related parties for transferred employees		(1,196)	(9,216)
Loss on curtailment		(22,214)	(8,089)
Fair value of plan assets at December 31	**$**	**226,570**	**314,957**

4) Changes in the effect of the asset ceiling

In 2021 and 2020, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

		2021	2020
Current service costs	$	8,750	9,394
Net interest expense		4,140	6,419
Loss on curtailment		22,214	8,089
	$	**35,104**	**23,902**
Classified under operating expense	**$**	**35,104**	**23,902**

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6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.625 %	0.625 %
Future salary increases rate	4.000 %	3.000 %

The Company expects to make contribution of $24,203 to the defined benefit plans in the year following December 31, 2021. The weighted average duration of the defined benefit plans is 12.86 years.

7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2021 and 2020.

	December 31, 2021		December 31, 2020	
	0.25% Increase	0.25% Decrease	0.25% Increase	0.25% Decrease
Discount rate	$ (24,802)	25,665	(23,919)	24,828
Future salary increasing rate	$ 24,284	(23,636)	23,719	(22,990)

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

(ii) Defined contribution plans

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

For the years ended December 31, 2021 and 2020, the Company recognized pension expenses of $84,708 and $83,831, respectively, which had been contributed to the Bureau of Labor Insurance, in relation to the defined contribution plans.

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(r) Income taxes

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

	2021	2020
Current income tax expense		
Current period	$ 2,869,233	1,292,482
Adjustments for prior years	12,571	9,832
	2,881,804	1,302,314
Deferred tax expense		
Origination and reversal of temporary differences	(306,644)	203,781
Change in unrecognized deductible temporary differences	230,274	(171,120)
	(76,370)	32,661
Income tax expense	**$ 2,805,434**	**1,334,975**

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

	2021	2020
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	**$ 31,474**	**1,005**

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

	2021	2020
Income before taxes	**$ 13,702,861**	**7,364,262**
Income tax using the Company's statutory tax rate	$ 2,740,572	1,472,852
Adjustments for prior-year income tax expense	12,571	9,832
Undistributed earnings additional tax	-	380
Change in unrecognized temporary differences	230,274	(171,120)
Others	(177,983)	23,031
	$ 2,805,434	**1,334,975**

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	December 31, 2021	December 31, 2020
Loss associated with investments in subsidiaries	$ 2,170,378	2,591,465
Deductible temporary differences	1,210,727	1,046,282
	$ 3,381,105	**3,637,747**

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

2) Unrecognized deferred income tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021 and 2020. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities. The related amounts were as follows:

	December 31, 2021	December 31, 2020
Profits associated with investments in subsidiaries	$ 1,615,622	2,102,538

3) Recognized deferred income tax assets and liabilities

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

Deferred income tax assets:

	Remeasurements of defined benefit plans	Accrued expenses and costs	Total
Balance at January 1, 2021	$ 71,842	1,839,866	1,911,708
Recognized in profit or loss	-	1,157,468	1,157,468
Recognized in other comprehensive income	31,474	-	31,474
Balance at December 31, 2021	**$ 103,316**	**2,997,334**	**3,100,650**
Balance at January 1, 2020	$ 70,837	903,004	973,841
Recognized in profit or loss	-	936,862	936,862
Recognized in other comprehensive income	1,005	-	1,005
Balance at December 31, 2020	**$ 71,842**	**1,839,866**	**1,911,708**

Deferred income tax liabilities:

	Income from investments accounted for using the equity method	Others	Total
Balance at January 1, 2021	$ 2,864,350	288,946	3,153,296
Recognized in profit or loss	892,336	188,762	1,081,098
Balance at December 31, 2021	**$ 3,756,686**	**477,708**	**4,234,394**
Balance at January 1, 2020	$ 2,043,256	140,517	2,183,773
Recognized in profit or loss	821,094	148,429	969,523
Balance at December 31, 2020	**$ 2,864,350**	**288,946**	**3,153,296**

(iii) No income tax was recognized directly in equity in 2021 and 2020.

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(iv) The Company's income tax returns for the years through 2019 were examined and approved by the R.O.C. income tax authorities.

(s) Capital and other equity

(i) Common stock

As of December 31, 2021 and 2020, the Company had issued 5,707 thousand units and 5,850 thousand units, respectively, of global depository receipts (GDRs). The GDRs were listed on the London Stock Exchange, and each GDR represents five common shares.

As of December 31, 2021 and 2020, the Company's authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,845 thousand shares were issued. The par value of the Company's common stock is $10 per share. All issued shares were paid up upon issuance.

Certain shares of common stock were not outstanding as they were repurchased by the Company or held by the Company's subsidiaries. The movements in outstanding shares of common stock were as follows (in thousands of shares):

	2021	2020
Balance at January 1	3,001,108	3,028,188
Repurchase and retirement of treasury stock	-	(27,080)
Balance at December 31	**3,001,108**	**3,001,108**

(ii) Capital surplus

		December 31, 2021	December 31, 2020
Paid-in capital in excess of par value	$	10,086,648	10,086,648
Surplus from mergers		15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend		621,975	551,856
Difference between consideration and carrying amount of subsidiaries acquired or disposed		247,301	217,421
Employee share options		90,000	90,000
Surplus from equity-method investments		671,100	634,898
	$	**27,514,269**	**27,378,068**

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

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

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

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

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

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

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders’ equity shall be set aside from current and prior-year earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders’ equity are reversed in subsequent periods.

On March 17, 2021, the Company’s Board of Directors approved the distribution of cash dividends amounting to $4,571,781 ($1.5 per share), of which $70,119 was distributed to the subsidiaries holding the Company’s common shares. Additionally, on July 9, 2021, the Company’s shareholders approved an appropriation of legal reserve and special reserve of $602,575 and $857,485, respectively.

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On March 16, 2022, the Company’s Board of Directors approved the distribution of cash dividends amounting to $6,949,107 ($2.28 per share), of which $106,582 was distributed to the subsidiaries holding the Company’s common shares.

On March 18, 2020, the Company’s Board of Directors had approved the distribution of cash dividends amounting to $1,352,971 ($0.443909 per share), of which $20,809 was distributed to the subsidiaries holding the Company’s common shares. Additionally, on June 12, 2020, the Company’s shareholders approved an appropriation of legal reserve and special reserve of $266,250 and $1,035,693, respectively, as well as the distribution of cash deriving from the capital surplus of $1,014,728 ($0.332932 per share), of which $15,607 was distributed to the subsidiaries holding the Company’s common shares.

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

(iv) Treasury stock

According to Article 28-2 of the Securities and Exchange Act, the Company purchased its own common shares of 27,080 thousand shares for an aggregate amount of $361,943 from March 13, 2020 to May 5, 2020 in order to maintain the Company's credit and the shareholders' equity. All such treasury stock was retired on September 28, 2020 and related legal and registration procedures have been completed.

As of December 31, 2021 and 2020, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary ASCBVI and the Company’s common stock held by subsidiaries ASCBVI (to maintain the Company’s shareholders’ equity), CCI (to maintain the Company’s shareholders’ equity), and ETEN (resulting from the acquisition of ETEN) were as follows (expressed in thousands of shares):

	December 31, 2021		
	Number of shares	**Carrying amount**	**Market value**
Common stock	21,809	$ 945,239	664,084
GDRs	24,937	1,969,617	704,324
	46,746	**$ 2,914,856**	**1,368,408**

	December 31, 2020		
	Number of shares	**Carrying amount**	**Market value**
Common stock	21,809	$ 945,239	515,783
GDRs	24,937	1,969,617	639,821
	46,746	**$ 2,914,856**	**1,155,604**

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

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	2021	2020
Balance at January 1	$ (6,043,227)	(4,187,394)
Generated by the Company:		
Foreign exchange differences arising from translation of foreign operations	(2,766,226)	(1,855,833)
Changes in ownership interests in subsidiaries	3,856	-
Balance at December 31	**$ (8,805,597)**	**(6,043,227)**

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

	2021	2020
Balance at January 1	$ 768,662	133,070
Generated by the Company:		
Change in fair value of financial assets measured at fair value through other comprehensive income	(83,057)	716,961
Disposal of financial assets measured at fair value through other comprehensive income	(40,230)	-
Share of other comprehensive income (loss) of subsidiaries	(241,168)	(84,896)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	348,520	3,527
Changes in ownership interests in subsidiaries	(6,544)	-
Balance at December 31	**$ 746,183**	**768,662**

3) Remeasurement of defined benefit plans:

	2021	2020
Balance at January 1	$ (242,887)	(287,903)
Change in the period (generated by the Company)	(125,894)	(4,021)
Share of other comprehensive income of subsidiaries	137,811	49,037
Changes in ownership interests in subsidiaries	2,760	-
Balance at December 31	**$ (228,210)**	**(242,887)**

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(t) Earnings per share (“EPS”)

(i) Basic earnings per share

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

	2021	2020
Net income attributable to the ordinary shareholders of the Parent	$ **10,897,427**	**6,029,287**
Weighted-average number of ordinary shares outstanding (in thousands)	**3,001,108**	**3,006,934**
Basic earnings per share (in New Taiwan dollars)	$ **3.63**	**2.01**

(ii) Diluted earnings per share

	2021	2020
Net income attributable to the ordinary shareholders of the Parent	$ **10,897,427**	**6,029,287**
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,108	3,006,934
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	27,180	22,460
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock) (in thousands)	**3,028,288**	**3,029,394**
Diluted earnings per share (in New Taiwan dollars)	$ **3.60**	**1.99**

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	2021		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 82,901,974	10,565,525	93,467,499
Pan America	63,536,596	10,234,184	73,770,780
Asia Pacific	64,632,708	14,957,469	79,590,177
	$ **211,071,278**	**35,757,178**	**246,828,456**

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Notes to Parent-Company-Only Financial Statements

	2020		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 71,369,455	9,908,178	81,277,633
Pan America	56,881,698	12,813,439	69,695,137
Asia Pacific	48,697,093	9,916,610	58,613,703
	$ 176,948,246	32,638,227	209,586,473

(ii) Contract balances

	December 31, 2021	**December 31, 2020**	**January 1, 2020**
Notes and accounts receivable (including receivables from related parties)	$ 43,856,087	30,508,838	25,832,136
Less: loss allowance	(1,798)	(2,221)	(3,613)
	$ 43,854,289	30,506,617	25,828,523
Contract assets－current	$ -	250	2,008
Contract liabilities－current	$ 9,512	79,131	107,298

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

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

The amount of revenue recognized in 2021 and 2020 that was included in the contract liability balance at January 1, 2021 and 2020, was $72,378 and $85,693, respectively.

(v) Remuneration to employees and directors

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

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For the years ended December 31, 2021 and 2020, the Company accrued its remuneration to employees amounting to $720,000 and $480,000, respectively, and the remuneration for directors of $29,819 and $23,821, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors.

Except that the remuneration to directors for 2021 resolved by the Company’s Board of Directors on March 16, 2022 was $12,000 and that for 2020 resolved by the Company's Board of Directors on March 17, 2021 was $10,013, the aforementioned accrued remunerations to employees were the same as the amounts resolved by the Board of Directors, which were all paid in cash. The difference between accrual and actual payment, amounting to $17,819 and $13,808 for 2021 and 2020, respectively, is treated as change in accounting estimate and recognized in profit or loss in the following year.

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

(w) Other operating income and expenses – net

	2021	2020
Rental income	$ 161,174	154,471
Government grants	-	445
	$ 161,174	**154,916**

(x) Non-operating income and loss

(i) Interest income

	2021	2020
Interest income from bank deposits	$ 39,675	50,247
Other interest income	2,759	330
	$ 42,434	**50,577**

(ii) Other income

	2021	2020
Dividend income	**$ 287,772**	**185,228**

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Notes to Parent-Company-Only Financial Statements

(iii) Other gains and losses

	2021	2020
Gain on disposal of equipment and intangible assets	$ 657	1,181
Foreign currency exchange gain, net	377,680	1,635,993
Loss on financial assets and liabilities measured at fair value through profit or loss	(475,157)	(1,495,854)
Other investment gain	196	-
Others (note 7(b)-(v))	62,700	37,157
	$ (33,924)	**178,477**

(iv) Finance costs

	2021	2020
Interest expense from bank loans and bonds payable	$ 47,624	55,668
Interest expense on lease liabilities	891	1,889
Others	3,147	7,972
	$ 51,662	**65,529**

(y) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	December 31, 2021	December 31, 2020
Financial assets measured at fair value through profit or loss	$ 443,248	156,738
Financial assets measured at fair value through other comprehensive income	6,690,542	4,708,607
Financial assets measured at amortized cost:		
Cash and cash equivalents	20,564,678	15,999,824
Notes and accounts receivable and other receivables (including receivables from related parties)	44,782,045	30,927,320
Other financial assets – non-current	160,566	88,955
	$ 72,641,079	**51,881,444**

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2) Financial liabilities

		December 31, 2021	December 31, 2020
Financial liabilities measured at fair value through profit or loss	$	145,969	943,985
Financial liabilities measured at amortized cost:			
Notes and accounts payable (including payables to related parties)		48,606,709	42,452,815
Other payables (including payables to related parties)		27,092,942	19,190,853
Lease liabilities (including current and non-current)		77,242	74,685
Long-term debt		-	3,300,000
Bonds payable		10,000,000	-
	$	**85,922,862**	**65,962,338**

(ii) Fair value information

1) Financial instruments not measured at fair value

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

2) Financial instruments measured at fair value

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

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

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

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

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

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	December 31, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	441,494	-	441,494
Stock listed on foreign markets	1,754	-	-	1,754
	$ 1,754	**441,494**	**-**	**443,248**
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 6,533,121	-	-	6,533,121
Unlisted stock	-	-	157,421	157,421
	$ 6,533,121	**-**	**157,421**	**6,690,542**
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	**$ -**	**(145,969)**	**-**	**(145,969)**

	December 31, 2020			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	154,578	-	154,578
Stock listed on foreign markets	2,160	-	-	2,160
	$ 2,160	**154,578**	**-**	**156,738**
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 4,568,341	-	-	4,568,341
Unlisted stock	-	-	140,266	140,266
	$ 4,568,341	**-**	**140,266**	**4,708,607**
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	**$ -**	**(943,985)**	**-**	**(943,985)**

There were no transfers among fair value hierarchies for the years ended December 31, 2021 and 2020.

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

	Financial assets measured at fair value through other comprehensive income	
	2021	2020
Balance at January 1	$ 140,266	177,425
Total gains or losses:		
Recognized in other comprehensive income	-	(51,834)
Additions	20,000	17,421
Disposals	(2,845)	(2,746)
Balance at December 31	**$ 157,421**	**140,266**

(Continued)

The abovementioned total gains or losses were included in “unrealized gain (loss) from financial assets measured at fair value through other comprehensive income”. The gains or losses attributable to the financial assets held on December 31, 2021 and 2020 were as follows:

	2021	2020
Total gains or losses:		
Recognized in other comprehensive income (included in “unrealized gain (loss) from financial assets measured at fair value through other comprehensive income”)	$ -	(51,834)

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

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

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

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

(iii) Offsetting of financial assets and liabilities

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

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

December 31, 2021

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

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 50,654,082	44,318,318	6,335,764	-	-	6,335,764

December 31, 2021

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

	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	$ 92,296,162	44,318,318	47,977,844	-	-	47,977,844

December 31, 2020

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

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 46,168,006	40,257,347	5,910,659	-	-	5,910,659

December 31, 2020

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

	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	$ 82,206,991	40,257,347	41,949,644	-	-	41,949,644

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(z) Financial risk management

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

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

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

(i) Credit risk

1) The maximum exposure to credit risk

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

2) Concentration of credit risk

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

3) Credit risk from receivables

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

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Notes to Parent-Company-Only Financial Statements

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2021 and 2020, the Company had unused credit facilities of $33,798,870 and $31,954,737, respectively.

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

		Contractual cash flows	Within 1 year	1-2 years	2-5 years
December 31, 2021					
Non-derivative financial liabilities:					
Bonds payable		10,329,500	69,000	69,000	10,191,500
Notes and accounts payable (including related parties)		48,606,709	48,606,709	-	-
Other payables (including related parties)		27,092,942	24,778,327	2,314,615	-
Lease liability		78,063	43,968	19,616	14,479
	$	**86,107,214**	**73,498,004**	**2,403,231**	**10,205,979**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross					
Outflow	$	53,405,805	53,405,805	-	-
Inflow		(53,670,897)	(53,670,897)	-	-
	$	**(265,092)**	**(265,092)**	-	-
December 31, 2020					
Non-derivative financial liabilities:					
Long-term debt carrying floating interest rates	$	3,350,287	29,700	3,320,587	-
Notes and accounts payable (including related parties)		42,452,815	42,452,815	-	-
Other payables (including related parties)		19,190,853	17,077,540	2,113,313	-
Lease liability		75,547	61,183	12,881	1,483
	$	**65,069,502**	**59,621,238**	**5,446,781**	**1,483**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross					
Outflow	$	54,032,247	54,032,247	-	-
Inflow		(53,236,042)	(53,236,042)	-	-
	$	**796,205**	**796,205**	-	-

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

(iii) Market risk

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

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

1) Foreign currency risk

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

Exposure to foreign currency risk and sensitivity analysis:

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

(in thousands)

	December 31, 2021				
	Foreign currency	**Exchange rate**	**NTD**	**Change in magnitude**	**Pre-tax effect on profit or loss**
Financial assets					
Monetary items					
EUR	$ 176,651	31.4835	5,561,592	1 %	55,616
USD	1,714,773	27.6900	47,482,064	1 %	474,821
AUD	112,017	20.1112	2,252,796	1 %	22,528
INR	13,403,716	0.3725	4,992,884	1 %	49,929
Financial liabilities					
Monetary items					
USD	2,532,956	27.6900	70,137,552	1 %	701,376

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(in thousands)

	December 31, 2020				
	Foreign currency	**Exchange rate**	**NTD**	**Change in magnitude**	**Pre-tax effect on profit or loss**
Financial assets					
Monetary items					
USD	$ 1,239,609	28.5080	35,338,773	1 %	353,388
INR	7,102,905	0.3902	2,771,554	1 %	27,716
JPY	14,070,248	0.2761	3,884,795	1 %	38,848
Financial liabilities					
Monetary items					
USD	2,007,450	28.5080	57,228,385	1 %	572,284

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

2) Interest rate risk

The Company's long-term debt carries floating interest rates, and the Company has not entered into interest rate swap contracts to convert floating interest rates to fixed interest rates. To manage the interest rate risk, the Company periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

Please refer to the note on liquidity risk management for details on interest rate exposure of the Company's financial liabilities. The following sensitivity analysis is based on the risk exposure to non-derivative financial instruments on the reporting date. The sensitivity analysis assumes the liabilities carrying floating interest rates recorded at the reporting date had been outstanding for the entire period. The change in interest rate reported to the key management in the Company is based on 100 basis points (1%), which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate had been 100 basis points (1%) higher/lower with all other variables held constant, pre-tax income for the years ended December 31, 2021 and 2020 would have been $0 and $33,000, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

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3) Other market price risk

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

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2021 and 2020, would have increased or decreased by $334,527 and $235,430, respectively.

(aa) Capital management

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

(ab) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(i) for a description of acquisition of right-of-use assets through leases in 2021 and 2020.

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

	January 1, 2021	Cash flows	Non-cash changes of leasing	December 31, 2021
Long-term debt	$ 3,300,000	(3,300,000)	-	-
Lease liabilities	74,685	(77,024)	79,581	77,242
Loans from related parties	595,000	(280,000)	-	315,000
Bonds payable	-	10,000,000	-	10,000,000
Total liabilities from financing activities	**$ 3,969,685**	**6,342,976**	**79,581**	**10,392,242**

	January 1, 2020	Cash flows	Non-cash changes of leasing	December 31, 2020
Long-term debt	$ 5,800,000	(2,500,000)	-	3,300,000
Lease liabilities	134,028	(78,575)	19,232	74,685
Loan from ralated parties	1,408,000	(813,000)	-	595,000
Total liabilities from financing activities	**$ 7,342,028**	**(3,391,575)**	**19,232**	**3,969,685**

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

7. Related-party transactions

(a) Related party name and categories

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

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Acer Computer Sweden AB (ACW)	Subsidiaries
Acer Denmark A/S (ACD)	Subsidiaries
Boardwalk Capital Holdings Limited (Boardwalk)	Subsidiaries
Acer Computec Mexico, S.A. de C.V. (AMEX)	Subsidiaries
Acer American Holdings Corp. (AAH)	Subsidiaries
AGP Tecnologia em Informatica do Brasil Ltda. (ATB)	Subsidiaries
Aurion Tecnologia, S.A. de C.V. (Aurion)	Subsidiaries
Acer Cloud Technology Inc. (ACTI)	Subsidiaries
Acer Cloud Technology (US), Inc. (ACTUS)	Subsidiaries
Gateway, Inc. (GWI)	Subsidiaries
Acer America Corporation (AAC)	Subsidiaries
Acer Service Corporation (ASC)	Subsidiaries
Acer Holdings International, Incorporated (AHI)	Subsidiaries
Acer Computer Co., Ltd. (ATH)	Subsidiaries
Acer Japan Corp. (AJC)	Subsidiaries
Acer Computer Australia Pty. Limited (ACA)	Subsidiaries
Acer Sales and Services SDN BHD (ASSB)	Subsidiaries
Acer Asia Pacific Sdn Bhd (AAPH)	Subsidiaries
Acer Computer (Singapore) Pte. Ltd. (ACS)	Subsidiaries
Acer Computer New Zealand Limited (ACNZ)	Subsidiaries
PT. Acer Indonesia (AIN)	Subsidiaries
PT. Acer Manufacturing Indonesia (AMI)	Subsidiaries
Acer India Private Limited (AIL)	Subsidiaries
Acer Infotech Pvt Ltd. (AIP)	Subsidiaries
Acer Vietnam Co., Ltd. (AVN)	Subsidiaries
Acer Philippines, Inc. (APHI)	Subsidiaries
Servex (Malaysia) Sdn Bhd (SMA)	Subsidiaries
Weblink International Inc. (WLII)	Subsidiaries
Wellife Inc. (WELL)	Subsidiaries
Pecer Bio-medical Technology Incorporated (PBT)	Subsidiaries
Protrade Global Limited (PGL)	Subsidiaries
Snoqualmie Company Ltd. (SCL)	Subsidiaries
Protrade Asia Limited (PAL)	Subsidiaries
Dakota Co., Ltd. (DCL)	Subsidiaries
Cascadia Resources Inc. (CRI)	Subsidiaries
Portrade Applied Materials Corp. (PAM)	Subsidiaries

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Protrade Shanghai Trading Co., Ltd. (PST)	Subsidiaries
Protrade Resources Vietnam Company Limited (PRV)	Subsidiaries
Acer Synergy Tech Corp. (AST)	Subsidiaries
Shanghai AST Technology Service Ltd. (ASTS)	Subsidiaries
ISU Service Corp. (ISU)	Subsidiaries
Acer Synergy Tech America Corporation (ASTA)	Subsidiaries
Acer Digital Service Co. (ADSC)	Subsidiaries
Acer Property Development Inc. (APDI)	Subsidiaries
Aspire Service & Development Inc. (ASDI)	Subsidiaries
Acer Gaming Inc. (AGM)	Subsidiaries
Cross Century Investment Limited (CCI)	Subsidiaries
Acer SoftCapital Incorporated (ASCBVI)	Subsidiaries
DropZone Holding Limited (DZH)	Subsidiaries
DropZone (Hong Kong) Limited (DZL)	Subsidiaries
Acer Gadget Inc. (AGT, formerly ETEN)	Subsidiaries (note)
Acer BeingWare Holding Inc. (ABH)	Subsidiaries
Acer Cloud Technology (Taiwan) Inc. (ACTTW)	Subsidiaries
Altos Computing Inc. (ALT)	Subsidiaries
MPS Energy Inc. (MPS)	Subsidiaries
Acer e-Enabling Service Business Inc. (AEB)	Subsidiaries
Acer ITS Inc. (ITS)	Subsidiaries
Acer Medical Inc. (AMED)	Subsidiaries
Beijing Altos Computing Ltd. (BJAC)	Subsidiaries
Acer Cloud Technology(Chongqing) Ltd. (ACTCQ)	Subsidiaries
Acer Being Communication Inc. (ABC)	Subsidiaries
Acer Being Signage Inc. (ABST)	Subsidiaries
Acer Being Signage GmbH (ABSG)	Subsidiaries
Xplova Inc. (XPL)	Subsidiaries
Acer AI Cloud Inc. (AIC, Formerly Pawbo Inc.)	Subsidiaries
Xplova (Shanghai) Ltd. (XPLSH)	Subsidiaries
Acer Cyber Security Incorporated (ACSI)	Subsidiaries
ACSI Cyber Security Academy Inc. (ACAD)	Subsidiaries
Acer China Venture Corp (ACVC)	Subsidiaries
Acer China Venture Partnership (ACVP)	Subsidiaries
Acer e-Enabling Data Center Incorporated (EDC)	Subsidiaries
Acer Third Wave Software (Beijing) Co. Ltd (TWPBJ)	Subsidiaries

(Continued)

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Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Sertec (Beijing) Ltd. (SEB)	Subsidiaries
StarVR Corporation (ASBZ)	Subsidiaries
StarVR Europe SA (VRE)	Subsidiaries
AOPEN Inc. (AOI)	Subsidiaries
AOPEN America Inc.(AOA)	Subsidiaries
AOPEN Computer B.V.(AOE)	Subsidiaries
AOPEN Technology Inc.(AOTH)	Subsidiaries
AOPEN Japan Inc.(AOJ)	Subsidiaries
Aopen SmartVision Incorporated (AOSV)	Subsidiaries
Heartware Alliance and Integration Limited (HTW)	Subsidiaries
AOPEN Global Solutons Pty Ltd.(AOGS)	Subsidiaries
AOPEN SmartView Incorporated (AOSD)	Subsidiaries
Great Connection LTD.(GCL)	Subsidiaries
AOPEN International (ShangHai) Co., Ltd (AOC)	Subsidiaries
AOPEN Information Products (Zhongshan) Inc. (AOZ)	Subsidiaries
AOPEN Australia & New Zealand Pty Ltd (AOAU)	Subsidiaries
Bluechip Infotech Pty Ltd. (Bluechip)	Subsidiaries
Bluechip Infotech Incorporated (BLI)	Subsidiaries
Dingo Tech Pty Ltd. (DTP)	Subsidiaries
Digital Networks Australia Pty Ltd. (DNA)	Subsidiaries
Ingeniq Pty Ltd. (IGP)	Subsidiaries
Bluechip Infotech (NZ) Limited (BLNZ)	Subsidiaries
Soft Solutions Limited (SSL)	Subsidiaries
GadgeTek (Shanghai) Limited (GCN)	Subsidiaries
Highpoint Service Network Corporation (HSNC)	Subsidiaries
Highpoint Service Network (Thailand) Co., Ltd (HSNT)	Subsidiaries
Highpoint Service Network Vietnam Company Limited (HSNV)	Subsidiaries
PT HSN Tech Indonesia (HSNI)	Subsidiaries
HighPoint Service Network Sdn Bhd (HSN)	Subsidiaries
Highpoint Services Network Philippines, Inc. (HSNP)	Subsidiaries
AcerPure Inc. (API)	Subsidiaries
Acer Asset Management Incorporated (AAM)	Subsidiaries
Smart Frequency Technology Inc. (SFT)	Joint venture
Aegis Semiconductor Technology Inc. (ATI)	Associates, liquidated on August 26th, 2021

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
GrandPad Inc. (GrandPAD)	Associates
Piovision International Inc. (HPT)	Associates
ECOM Software Inc. (ECS)	Associates
Kbest Technology Inc. (KBest)	Associates
Erics Co., LTD (Erics)	The entity' s chairman is the first-degree relatives of one of the key management of the Company
Acer Foundation	Substantive related party
Taurus Insterstellar Inc.	The entity's chairman is the Company's director
Mu-Jin Investments Co., Ltd.	Same chairman with the Company

(Note) GadgetTek Inc. (GTI), one of subsidiaries of the Company, has been merged into Acer Gadget Inc. in the second quater of 2021.

(b) Significant related-party transactions

(i) Revenue

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

	2021	2020
Subsidiaries		
AEG	$ 93,323,424	81,108,431
AAC	73,481,903	69,391,765
Others	58,522,673	45,901,657
Associates	128,715	197,093
Joint venture	-	22
Other related parties	89	5,917
	$ 225,456,804	**196,604,885**

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

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

(ii) Purchases

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

	2021	2020
Subsidiaries	$ **3,274,588**	**1,869,722**

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

(iii) Operating costs and expenses

The operating costs and expenses related to services including management consulting, system maintenance, product development and design provided by related parties and the donation to related parties were as follows:

Accounts	Related-party categories	2021	2020
Cost of revenue	Subsidiaries	$ 400,493	380,197
Operating expense	Subsidiaries	85,976	70,445
Operating expense	Associates	1,745	6,225
Operating expense	Other related parties	-	12,500
		$ **488,214**	**469,367**

(iv) Lease

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

	2021	2020
Subsidiaries:		
ASDI	$ 38,434	38,434
AEB	15,619	17,436
Others	11,047	9,190
Associates	2,623	2,491
Joint venture	2,584	1,668
Other related parties	83	78
	$ **70,390**	**69,297**

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

(v) Service income

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

		2021	2020
Subsidiaries	$	39,187	16,792
Associates		48	48
Joint venture		3,223	3,223
Other related parties		165	19
	$	**42,623**	**20,082**

(vi) Loans to related parties

The actual drawdown amounts were as follows:

		December 31, 2021	December 31, 2020
Subsidiaries:			
AFE	$	330,294	-
ITS		110,000	-
AGM		-	95,000
MPS		56,000	-
ALT		78,000	63,000
AGT		-	20,000
	$	**574,294**	**178,000**
Interest rate		**0.65%-0.85%**	**0.80%**

Interest income related to loans to subsidiaries in 2021 and 2020 was $2,759 and $330, respectively.

(vii) Borrowings from related parties

The borrowings from related parties were as follows:

		December 31, 2021	December 31, 2020
Subsidiaries:			
ADSC	$	100,000	-
EDC		-	250,000
AGT		70,000	80,000
CCI		100,000	100,000
ABH		-	150,000
Others		45,000	15,000
	$	**315,000**	**595,000**
Interest rate		**0.60%**	**0.75%**

(Continued)

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

Interest expenses related to borrowings from subsidiaries in 2021 and 2020 were $3,042 and $7,822, respectively.

(viii) Organizational restructuring－Intelligent solutions of air quality business

In May 2020, the Company acquired 3,222 thousand shares of API's common stock from ACTTW for a cash consideration of $43,365. Additionally, the Company spun off its intelligent solutions of air quality business in Taiwan to API on July 7, 2020 in accordance with Business Merger and Acquisition Act, Company Act and other relevant regulations. The carrying value of the net assets transferred was $22,282; in the meantime, the Company made a cash payment of $27,718 to acquire 5,000 thousand shares of API's common stock. The carrying amounts of the respective assets and liabilities transferred were as follows:

Assets:		
Inventories, net	$	23,581
Other current assets		2,519
Subtotal		26,100
Liabilities:		
Accounts payables		(3,687)
Other payables		(131)
Subtotal		(3,818)
Net Assets	**$**	**22,282**

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

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

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Notes to Parent-Company-Only Financial Statements

(x) Receivables from related parties

Accounts	Related-party categories	December 31, 2021	December 31, 2020
Notes and accounts receivable from related parties	Subsidiaries:		
	AAC	$ 15,257,348	10,693,291
	AJC	720,672	3,889,769
	AEG	6,603,418	1,887,259
	AIL	5,039,862	2,785,837
	Others	9,897,209	5,313,782
Notes and accounts receivable from related parties	Associates	-	26,020
Note and accounts receivable from related parties	Other related parties	16	-
Other receivables from related parties	Subsidiaries	89,811	35,512
Other receivables from related parties (financing)	Subsidiaries	574,294	178,000
Other receivables from related parties	Associates	10	323
Other receivables from related parties	Joint venture	294	297
Other receivables from related parties	Other related parties	173	20
		$ 38,183,107	**24,810,110**

(xi) Payables to related parties

Accounts	Related party categories	December 31, 2021	December 31, 2020
Accounts payable to related parties	Subsidiaries	$ 628,776	503,171
Accounts payable to related parties	Associates	89	-
Other payables to related parties	Subsidiaries	190,675	143,946
Other payables to related parties	Other related parties	12,500	25,000
Other payables to related parties (financing)	Subsidiaries	315,000	595,000
Long-term payable to related parties	Subsidiaries	14,594	20,034
		$ 1,161,634	**1,287,151**

(xii) Guarantees and endorsements provided to related parties

As of December 31, 2021 and 2020, the balances of guarantees and endorsements provided to subsidiaries were $21,183,939 and $21,503,281, respectively, and the amounts actually drawn were $4,285,862 and $5,012,962, respectively.

(c) Compensation for key management personnel

	2021	2020
Short-term employee benefits	$ 283,252	214,259
Post-employment benefits	3,187	19,709
	$ 286,439	**233,968**

8. Pledged assets

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

Assets	Pledged to secure	December 31, 2021	December 31, 2020
Cash in bank and time deposits	Contract bidding, refundable deposits, and project fulfillment guarantee	**$ 160,566**	**88,955**

9. Significant commitments and contingencies

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

(b) In the ordinary course of its business from time to time, the Company received notices from third parties asserting that Acer has infringed certain patents and demanded that Acer should obtain certain patent licenses. Although the Company does not expect that the outcome of any of these legal proceedings (individually or collectively) will have a material adverse effect on the Company's business operations and finance, the litigation is inherently unpredictable. Therefore, the Company could incur judgments or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

(c) As of December 31, 2021 and 2020, the Company had outstanding stand-by letters of credit provided by the banks totaling $6,720 and $14,227, respectively, for purposes of bids and contracts.

(d) As of December 31, 2021 and 2020, the Company had issued promissory notes amounting to $35,247,050 and $36,809,506, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

11. Significant subsequent events:

The Company's subsidiaries were exposed to the risk of recoverability of accounts receivables from customers in Russia and Ukraine due to the conflict between Russia and Ukraine occurred in the end of February 2022. As of March 16, 2022, the exposure of accounts receivable arising from revenue recognized in 2021 amounted to $1,032,000 approximately. The Company's subsidiaries initially assessed that some of such accounts receivable might be impaired as they might not be recovered. The Company's subsidiaries have proactively managed to ensure the above-mentioned accounts receivable will be collected, and evaluated any ways to reduce the potential impairment loss such as insurance claim and other safeguard actions. The impairment loss of accounts receivable could not be estimated certainly at this stage as the conflict situation is still evolving. The impairment loss of accounts receivable in respect of the above-mentioned conflict, if any, will be recognized in 2022.

12. Others

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

	2021			2020		
	Cost of revenue	**Operating expenses**	**Total**	**Cost of revenue**	**Operating expenses**	**Total**
Employee benefits:						
Salaries	-	3,753,103	3,753,103	-	2,738,139	2,738,139
Insurance	-	174,644	174,644	-	156,719	156,719
Pension	-	119,812	119,812	-	111,744	111,744
Remuneration of directors	-	42,819	42,819	-	36,821	36,821
Others	-	207,345	207,345	-	175,306	175,306
Depreciation	-	140,120	140,120	-	154,282	154,282
Amortization	12,068	12,525	24,593	16,245	27,796	44,041

	2021	2020
Employees	**1,662**	**1,627**
Directors not in concurrent employment	**4**	**4**
Average employee benefits	**$ 2,566**	**1,961**
Average employee salaries	**$ 2,264**	**1,687**
Adjustment of average employee salaries	**34.20 %**	
Supervisor's remuneration	**$ -**	**-**

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

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

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Notes to Parent-Company-Only Financial Statements

13. Additional disclosures

(a) Information on significant transactions:

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

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

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

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

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

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

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

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

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

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

(c) Information on investment in Mainland China:

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

(ii) Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: For the Company’ s significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2021, please refer to “Information on significant transactions” above.

(d) Major shareholders:

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

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14. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2021.

Acer Incorporated
Financing provided to other parties
For the year ended December 31, 2021

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 3)	Related Party	Maximum Balance for the Period	Ending Balance	Actually drawndown Amounts	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	The Company	APDI	Other receivables from related parties	Yes	40,000	30,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ABH	Other receivables from related parties	Yes	15,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	CCI	Other receivables from related parties	Yes	4,000	4,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ADSC	Other receivables from related parties	Yes	25,000	15,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ASDI	Other receivables from related parties	Yes	38,000	35,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGT	Other receivables from related parties	Yes	100,000	100,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	API	Other receivables from related parties	Yes	25,000	25,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	MPS	Other receivables from related parties	Yes	35,000	35,000	35,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	MPS	Other receivables from related parties	Yes	65,000	65,000	21,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AMED	Other receivables from related parties	Yes	15,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	EDC	Other receivables from related parties	Yes	400,000	400,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	GTI	Other receivables from related parties	Yes	50,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ALT	Other receivables from related parties	Yes	100,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	ALT	Other receivables from related parties	Yes	105,000	105,000	78,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGM	Other receivables from related parties	Yes	300,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGM	Other receivables from related parties	Yes	295,000	295,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AGM	Other receivables from related parties	Yes	300,000	300,000	110,000	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
0	The Company	AFE	Other receivables from related parties	Yes	332,833	330,294	330,294	0%~4%	2	-	Operating requirements	-	None	-	6,148,393	30,741,967
1	APDI	The Company	Other receivables from related parties	Yes	40,000	30,000	-	0%~4%	2	-	Operating requirements	-	None	-	43,005	43,005
2	ABH	The Company	Other receivables from related parties	Yes	150,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	611,622	611,622
2	ABH	ACTTW	Other receivables from related parties	Yes	30,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	40,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	38,000	38,000	37,800	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622

No.	Financing Company	Counterparty	Financial Statement Account (Note 3)	Related Party	Maximum Balance for the Period	Ending Balance	Actually drawndown Amounts	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
2	ABH	ABSG	Other receivables from related parties	Yes	77,486	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABSG	Other receivables from related parties	Yes	69,711	66,115	65,328	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABC	Other receivables from related parties	Yes	10,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABC	Other receivables from related parties	Yes	12,000	12,000	12,000	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABC	Other receivables from related parties	Yes	12,000	12,000	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	68,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	ABST	Other receivables from related parties	Yes	70,000	70,000	68,000	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
2	ABH	AIC	Other receivables from related parties	Yes	30,000	30,000	-	0%~4%	2	-	Operating requirements	-	None	-	152,905	611,622
3	CCI	The Company	Other receivables from related parties	Yes	100,000	100,000	100,000	0%~4%	2	-	Operating requirements	-	None	-	151,975	151,975
4	ADSC	The Company	Other receivables from related parties	Yes	100,000	100,000	100,000	0%~4%	2	-	Operating requirements	-	None	-	498,611	498,611
4	ADSC	Bluechip	Other receivables from related parties	Yes	28,514	-	-	0%~4%	2	-	Operating requirements	-	None	-	124,653	498,611
4	ADSC	Bluechip	Other receivables from related parties	Yes	25,098	24,133	24,133	0%~4%	2	-	Operating requirements	-	None	-	124,653	498,611
4	ADSC	ABST	Other receivables from related parties	Yes	70,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	124,653	498,611
5	ACTTW	ABSG	Other receivables from related parties	Yes	17,413	-	-	0%~4%	2	-	Operating requirements	-	None	-	-	-
6	ASDI	The Company	Other receivables from related parties	Yes	38,000	35,000	20,000	0%~4%	2	-	Operating requirements	-	None	-	85,951	85,951
6	ASDI	APDI	Other receivables from related parties	Yes	40,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	85,951	85,951
6	ASDI	APDI	Other receivables from related parties	Yes	38,000	38,000	14,000	0%~4%	2	-	Operating requirements	-	None	-	85,951	85,951
7	AGT	The Company	Other receivables from related parties	Yes	100,000	100,000	70,000	0%~4%	2	-	Operating requirements	-	None	-	141,378	141,378
8	API	The Company	Other receivables from related parties	Yes	25,000	25,000	25,000	0%~4%	2	-	Operating requirements	-	None	-	33,667	33,667
9	AIZS	ACCQ	Other receivables from related parties	Yes	207,460	-	-	0%~4%	2	-	Operating requirements	-	None	-	253,844	253,844
9	AIZS	ACCQ	Other receivables from related parties	Yes	212,122	209,109	209,109	0%~4%	2	-	Operating requirements	-	None	-	253,844	253,844
9	AIZS	ACCQ	Other receivables from related parties	Yes	211,288	211,288	-	0%~4%	2	-	Operating requirements	-	None	-	253,844	253,844
10	GWI	AAC	Other receivables from related parties	Yes	397,768	-	-	0%~4%	2	-	Operating requirements	-	None	-	25,818,317	25,818,317
10	GWI	AAC	Other receivables from related parties	Yes	407,993	395,967	395,967	0%~4%	2	-	Operating requirements	-	None	-	25,818,317	25,818,317
11	AAH	AAC	Other receivables from related parties	Yes	4,290,212	-	-	0%~4%	2	-	Operating requirements	-	None	-	32,213,321	32,213,321
11	AAH	AAC	Other receivables from related parties	Yes	4,336,712	4,208,880	4,208,880	0%~4%	2	-	Operating requirements	-	None	-	32,213,321	32,213,321

No.	Financing Company	Counterparty	Financial Statement Account (Note 3)	Related Party	Maximum Balance for the Period	Ending Balance	Actually drawndown Amounts	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
12	MPS	The Company	Other receivables from related parties	Yes	1,000	1,000	-	0%~4%	2	-	Operating requirements	-	None	-	18,632	18,632
13	AMED	The Company	Other receivables from related parties	Yes	1,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	48,623	48,623
14	EDC	The Company	Other receivables from related parties	Yes	400,000	50,000	-	0%~4%	2	-	Operating requirements	-	None	-	185,004	185,004
15	Bluechip	BLI	Other receivables from related parties	Yes	1,141	-	-	0%~4%	2	-	Operating requirements	-	None	-	60,613	60,613
15	Bluechip	BLI	Other receivables from related parties	Yes	5,593	5,538	3,600	0%~4%	2	-	Operating requirements	-	None	-	60,613	60,613
15	Bluechip	DNA	Other receivables from related parties	Yes	33,559	33,229	-	0%~4%	2	-	Operating requirements	-	None	-	60,613	60,613
16	WLII	PGL	Other receivables from related parties	Yes	83,598	83,598	83,070	1%~1.12%	2	-	Operating requirements	-	None	-	186,749	746,996
16	WLII	PAM	Other receivables from related parties	Yes	69,665	69,665	69,225	1%~1.12%	2	-	Operating requirements	-	None	-	186,749	746,996
16	WLII	CRI	Other receivables from related parties	Yes	139,330	139,330	138,450	1%~1.12%	2	-	Operating requirements	-	None	-	186,749	746,996
17	PGL	CRI	Other receivables from related parties	Yes	14,846	14,782	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	18,686	74,743
17	PGL	PAM	Other receivables from related parties	Yes	14,846	14,782	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	18,686	74,743
18	PAL	CRI	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292
18	PAL	PAM	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292
18	PAL	PGL	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292
18	PAL	PST	Other receivables from related parties	Yes	9,360	9,320	-	1.2%~1.5%	2	-	Operating requirements	-	None	-	10,323	41,292

Note 1: Nature of Financing:

Type 2: Short-term financing purpose

Note 2: 1. The aggregate financing amount shall not exceed 50% of net worth of the Company, within which the short-term financing amount shall not exceed 20% of net worth of the Company.

1-1. For an entity which the Company owns less than 50% of its outstanding common shares, the individual financing amounts shall not exceed lower of 5% of net worth of the Company and 40% of net worth of the entity.

1-2. For an entity which the Company owns more than 50% of its outstanding common shares, the individual financing amounts shall not exceed 10% of net worth of the Company.

1-3. When a subsidiary who provides financing to other parties is directly or indirectly wholly owned by the Company, the aforementioned limit of aggregate amount and individual financing amount is applied.

2. For AIZS, the aggregate financing amount shall not exceed 120% of net worth of AIZS.

3. The financing limits of GWI and AAH were as follows:

3-1. The individual financing amounts shall not exceed higher of 20% of net worth of the entity or 50% of net worth of the ultimate parent company.

3-2. For an entity which the ultimate parent company wholly owns directly or indirectly, the individual financing amounts shall not exceed 120% of net worth of the entity.

4. The financing limits of APDI, ABH, CCI, ADSC, ACTTW, AGT, API, MPS, AMED and EDC were as follows:

4-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

4-2. The individual financing amounts to the ultimate parent company shall not exceed 40% of net worth of the entities listed above.

5. For an entity which the financing company owns more than 50% of its outstanding common shares or is fellow subsidiary of the same group, the individual financing amounts of ABH, ADSC and ACTTW shall not exceed 10% of net worth of ABH, ADSC and ACTTW.

6. The financing limit of ASDI is as follows:

6-1. The aggregate financing amount shall not exceed 40% of net worth of ASDI.

6-2. The individual financing amounts to the ultimate parent company and its related parties shall not exceed 40% of net worth of ASDI.

7. Both of the aggregate financing amount and the individual financing amounts of Bluechip shall not exceed 20% of net worth of Bluechip.

8. The financing limits of WLII, PGL and PAL were as follows:

8-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 10% of net worth of the entities listed above.

Note 3: Net worth of the Company and subsidiaries listed above are the most recent audited or reviewed.

Note 4: The above transactions are eliminated when preparing the consolidated financial statements.

Acer Incorporated
Guarantees and endorsements provided to other parties
For the year ended December 31, 2021

Table 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 6)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 6)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	The Company	AJC	2	12,296,787	828,320	721,846	-	-	1.17%	61,483,935	Y		
0	The Company	ATH	2	12,296,787	151,214	146,756	18,580	-	0.24%	61,483,935	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	12,296,787	1,997,170	1,938,300	159,624	-	3.15%	61,483,935	Y		
0	The Company	AEG	2	12,296,787	275,058	262,420	262,420	-	0.43%	61,483,935	Y		
0	The Company	Acer EMEA subsidiaries	2	12,296,787	998,585	969,150	144,992	-	1.58%	61,483,935	Y		
0	The Company	ACN/ACD/ACW/AFN	2	12,296,787	13,860	12,233	12,233	-	0.02%	61,483,935	Y		
0	The Company	ATB	2	12,296,787	855,930	830,700	1,761	-	1.35%	61,483,935	Y		
0	The Company	Acer Pan America subsidiaries	2	12,296,787	4,850,270	4,707,300	26,633	-	7.66%	61,483,935	Y		
0	The Company	AMEX	2	12,296,787	256,779	249,210	-	-	0.41%	61,483,935	Y		
0	The Company	Acer Greater China subsidiaries	2	12,296,787	1,569,205	1,522,950	51,468	-	2.48%	61,483,935	Y		Y
0	The Company	AEB	2	12,296,787	850,000	-	-	-	-	61,483,935	Y		
0	The Company	SMA	2	12,296,787	106,365	99,700	1,705	-	0.16%	61,483,935	Y		
0	The Company	ACA	2	12,296,787	285,310	152,295	152,295	-	0.25%	61,483,935	Y		
0	The Company	AIL	2	12,296,787	3,080,352	3,019,977	925,865	-	4.91%	61,483,935	Y		
0	The Company	ACCN/ACCQ/BJAC	2	12,296,787	883,842	871,289	-	-	1.42%	61,483,935	Y		Y
0	The Company	ABSG	2	12,296,787	142,655	138,450	-	-	0.23%	61,483,935	Y		
0	The Company	ITS	2	12,296,787	400,000	400,000	104,195	-	0.65%	61,483,935	Y		
0	The Company	ALT	2	12,296,787	400,000	400,000	-	-	0.65%	61,483,935	Y		
0	The Company	GTI	2	12,296,787	360,000	-	-	-	-	61,483,935	Y		
0	The Company	HSNC	2	12,296,787	222,810	222,690	-	-	0.36%	61,483,935	Y		
0	The Company	HSNP	2	12,296,787	57,062	55,380	-	-	0.09%	61,483,935	Y		
0	The Company	HSNT	2	12,296,787	72,869	72,690	6,182	-	0.12%	61,483,935	Y		
0	The Company	HSNC/HSNI/HSNP/HSNT	2	12,296,787	114,124	110,760	21,014	-	0.18%	61,483,935	Y		
0	The Company	MPS	2	12,296,787	48,503	47,073	47,073	-	0.08%	61,483,935	Y		
0	The Company	EDC	2	12,296,787	2,567,790	2,492,100	1,177,632	-	4.05%	61,483,935	Y		
0	The Company	AAC	2	12,296,787	975,310	969,150	689,120	-	1.58%	61,483,935	Y		
0	The Company	AGM	2	12,296,787	400,000	400,000	400,000	-	0.65%	61,483,935	Y		
0	The Company	HSNI	2	12,296,787	114,124	110,760	-	-	0.18%	61,483,935	Y		
0	The Company	API	2	12,296,787	150,000	150,000	-	-	0.24%	61,483,935	Y		
0	The Company	AGT	2	12,296,787	83,070	83,070	83,070	-	0.14%	61,483,935	Y		
0	The Company	HSNV	2	12,296,787	27,810	27,690	-	-	0.05%	61,483,935	Y		
1	AAC	ASC	4	2,260,071	17,119	16,614	16,614	-	0.15%	2,260,071			
2	AOI	AOSD	2	197,093	2,769	2,769	-	-	0.43%	642,038			
2	AOI	AOC	2	197,093	152,295	152,295	-	-	24.01%	642,038			Y
3	AOZ	AOC	4	49,833	28,531	-	-	-	-	124,582			Y
4	AST	ASTA	2	73,233	55,620	55,380	-	-	15.12%	183,083			
4	AST	ASTS	2	73,233	17,677	17,295	-	-	4.76%	183,083			Y
4	AST	ISU	2	73,233	30,000	30,000	-	-	8.19%	183,083			
5	WLII	CRI	2	373,498	137,957	137,957	6,071	-	7.00%	933,745			
5	WLII	PAM	2	373,498	174,188	174,188	9,599	-	9.00%	933,745			
5	WLII	PST	2	373,498	142,137	142,137	27,080	-	8.00%	933,745			Y
6	PGL	CRI	2	37,372	9,788	8,307	-	-	4.00%	93,429			
6	PGL	PAL	2	37,372	318,812	-	-	-	-	93,429			
6	PGL	PAM	2	37,372	318,812	-	-	-	-	93,429			
7	PAM	PAL	4	6,415	223,728	-	-	-	-	16,038			

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 6)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 6)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
8	PAL	PAM	4	20,646	223,728	-	-	-	-	51,615			
8	PAL	PST	4	20,646	176,186	-	-	-	-	51,615			Y
9	DCL	PST	2	26,405	29,364	-	-	-	-	66,012			Y

Note 1: Relationships between the endorsement/guarantee provider and the guaranteed party:
Type 2: an entity directly or indirectly owned by the Company over 50%
Type 4: between entities directly or indirectly owned by the Company over 90%

Note 2: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited or reviewed net worth of the Company.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of the Company.

Note 3: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited or reviewed net worth of AOI.
The endorsement/guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited or reviewed net worth of AOI.

Note 4: The aggregate endorsement/guarantee amount provided shall not exceed 20% of the most recent audited net worth of AAC.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AAC.

Note 5: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited or reviewed net worth of AOZ.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of AOZ.

Note 6: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited or reviewed net worth of AST.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of AST.

Note 7: The aggregate endorsement/guarantee amount provided limits of WLII and its subsidiaries were as follows:
The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited or reviewed net worth of the entities listed above.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited or reviewed net worth of the entities listed above.
The aggregate endorsement/guarantee amount provided by WLII and its subsidiaries shall not exceed 50% of the most recent audited or reviewed net worth of WLII.
The endorsement/guarantee provided to individual guarantee party by WLII and its subsidiaries shall not exceed 20% of the most recent audited or reviewed net worth of WLII.

Acer Incorporated
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2021

Table 3

(Amounts in Thousands of New Taiwan Dollars / Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2021		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbreeze	-	Financial assets measured at fair value through profit or loss — current	572	1,754	0.10%	1,754	572	0.21%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	81,713	2,488,151	4.15%	2,488,151	81,713	4.15%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	211,008	0.24%	211,008	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	54,816	1,597,886	1.89%	1,597,886	54,816	1.93%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	292,666	3.08%	292,666	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	7,538	1,292,713	3.48%	1,292,713	7,538	3.49%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	830	53,286	0.25%	53,286	830	0.25%	Note 1
The Company	Preferred stock B: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	1,177	74,741	0.17%	74,741	1,177	0.17%	Note 1
The Company	Preferred stock A: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	260	16,354	0.03%	16,354	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	951	60,008	0.14%	60,008	951	0.14%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	16,053	0.04%	16,053	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,590	0.02%	1,590	30	0.02%	Note 2
The Company	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	7,000	420,700	2.10%	420,700	7,000	2.10%	Note 3
The Company	Preferred stock E:TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	150	7,965	0.02%	7,965	150	0.02%	Note 4
The Company	Stock: Pell Bio-med Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,400	120,000	7.19%	120,000	1,200	7.24%	
The Company	Stock: CellMax Life Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	600	17,421	1.02%	17,421	600	1.02%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,000	20,000	14.39%	20,000	2,000	14.39%	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	380,296	0.45%	380,296	13,046	0.46%	
ADSC	Stock: Pi Mobile Technology Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	1,604	126,000	3.76%	126,000	1,604	3.77%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	12,108	18.92%	12,108	322	18.92%	
ASCBVI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	145,120	19.39%	145,120	3,800	19.39%	
ASCBVI	Stock: Trutag	-	Financial assets measured at fair value through other comprehensive income — non-current	1,346	5,981	0.33%	5,981	1,346	1.00%	
ASCBVI	Stock: Gorilla	-	Financial assets measured at fair value through other comprehensive income — non-current	244	55,380	1.90%	55,380	244	1.91%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2021		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
ASCBVI	Stock: Locix	-	Financial assets measured at fair value through other comprehensive income — non-current	1,000	41,535	4.05%	41,535	1,000	4.58%	
ASCBVI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	110,760	12.20%	110,760	463	14.07%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	37,064	2.01%	37,064	1,015	2.01%	
ABST	Stock: PilotTV Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	2,676	57,462	19.18%	57,462	2,676	19.18%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	8,384	13.79%	8,384	-	13.79%	
ACTCQ	Equity of Shenmou Technology (Shenzhen)	-	Financial assets measured at fair value through other comprehensive income — non-current	-	411	19.99%	411	960	19.99%	
AHN	EUR Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	736,433	-	736,433	-	-	
AHI	USD Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	1,804,553	-	1,804,553	-	-	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	28,538	0.30%	28,538	666	0.30%	Note 1
AEB	Stock: Ambi Arts	-	Financial assets measured at fair value through other comprehensive income — non-current	180	778	18.00%	778	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	28,538	0.30%	28,538	666	0.30%	Note 1
AOI	Stock: MPL	-	Financial assets measured at fair value through other comprehensive income — non-current	25	20,505	15.06%	20,505	25	15.06%	
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	12,020	0.06%	12,020	200	0.06%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	24,040	0.12%	24,040	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	21,240	0.44%	21,240	300	0.44%	

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are prefered stock B. The percentage of ownership listed above is the percentage of ownership of preferred stock B.
Note 2: The stocks of CTFH、FBFH、UBOT are prefered stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.
Note 3: The stocks of FBFH are prefered stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.
Note 4: The stocks of TSFH are prefered stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated

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

For the year ended December 31, 2021

Table 4

(Amounts in Thousands of New Taiwan Dollars / Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisitions		Disposal				Ending Balance	
					Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/ Units (in thousands)	Amount
ACCN	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	827,000	3,587,303	827,000	3,609,549	3,587,303	22,246	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	4,432,000	19,229,403	4,432,000	19,317,616	19,229,403	88,213	-	-
The Company	Common Stock of FocalTech	Financial assets measured at fair value through other comprehensive income— non-current	Centralized Securities Exchange Market	None	-	-	7,538	1,500,487	-	-	-	-	7,538	1,292,713
The Company	Preferred stock C of FBFH	Financial assets measured at fair value through other comprehensive income— non-current	Centralized Securities Exchange Market	None	-	-	7,000	420,700	-	-	-	-	7,000	420,700

Acer Incorporated
Total purchases from and sales to related parties which exceed NT$100 million or 20% of the paid-in capital
For the year ended December 31, 2021

Table 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AAC	Parent/Subsidiary	(Sales)	(73,481,903)	(29.77)%	OA90	-	-	15,257,348	34.79%	
The Company	ACA	Parent/Subsidiary	(Sales)	(6,199,228)	(2.51)%	OA60	-	-	2,246,002	5.12%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(11,420,047)	(4.63)%	OA60	-	-	808,111	1.84%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(878,109)	(0.36)%	OA60	-	-	229,474	0.52%	
The Company	ACS	Parent/Subsidiary	(Sales)	(2,965,691)	(1.20)%	OA60	-	-	690,477	1.57%	
The Company	AEG	Parent/Subsidiary	(Sales)	(93,323,424)	(37.81)%	OA60	-	-	6,603,418	15.06%	
The Company	AFE	Parent/Subsidiary	(Sales)	(574,495)	(0.23)%	OA60	-	-	117,976	0.27%	
The Company	AIL	Parent/Subsidiary	(Sales)	(9,717,757)	(3.94)%	OA150	-	-	5,039,862	11.49%	
The Company	AIN	Parent/Subsidiary	(Sales)	(7,765,861)	(3.15)%	OA90	-	-	2,614,602	5.96%	
The Company	AIN	Parent/Subsidiary	Purchases	719,887	0.31%	OA60	-	-	(37,111)	(0.08)%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,580,432)	(0.64)%	OA60	-	-	720,672	1.64%	
The Company	AMI	Parent/Subsidiary	(Sales)	(987,777)	(0.40)%	OA90	-	-	180,379	0.41%	
The Company	APHI	Parent/Subsidiary	(Sales)	(1,989,819)	(0.81)%	OA60	-	-	605,612	1.38%	
The Company	APHI	Parent/Subsidiary	Purchases	198,222	0.08%	OA60	-	-	(69,439)	(0.14)%	
The Company	APX	Parent/Subsidiary	(Sales)	(144,075)	(0.06)%	OA60	-	-	24,763	0.06%	
The Company	ASC	Parent/Subsidiary	(Sales)	(160,162)	(0.06)%	OA60	-	-	13,235	0.03%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(4,444,131)	(1.80)%	OA60	-	-	559,237	1.28%	
The Company	ATH	Parent/Subsidiary	(Sales)	(7,508,925)	(3.04)%	OA60	-	-	1,499,048	3.42%	
The Company	AVN	Parent/Subsidiary	(Sales)	(246,007)	(0.10)%	OA60	-	-	34,721	0.08%	
The Company	AVN	Parent/Subsidiary	Purchases	118,143	0.05%	OA60	-	-	(8,606)	(0.02)%	
The Company	GrandPAD	Associate	(Sales)	(128,715)	(0.05)%	EM120	-	-	-	-	
The Company	ALT	Parent/Subsidiary	Purchases	134,306	0.06%	OA60	-	-	(51,885)	(0.11)%	
The Company	AEB	Parent/Subsidiary	Purchases	179,874	0.08%	EM30	-	-	(31,766)	(0.07)%	
The Company	AOI	Parent/Subsidiary	Purchases	313,375	0.13%	EM60	-	-	(307,088)	(0.63)%	
The Company	AGT	Parent/Subsidiary	Purchases	404,098	0.17%	OA60/EM60	-	-	(130,458)	(0.27)%	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,667,404)	(0.68)%	EM45	-	-	144,320	0.33%	
The Company	AOSD	Parent/Subsidiary	Purchases	1,117,417	0.48%	OA60	-	-	-	-	
The Company	GTI	Parent/Subsidiary	Purchases	309,033	0.13%	OA60	-	-	-	-	
WELL	WLII	Parent/Subsidiary	Purchases	354,960	94.36%	EM45	-	-	(100,886)	(97.85)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(134,306)	(30.91)%	OA60	-	-	51,885	42.74%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEB	The Company	Parent/Subsidiary	(Sales)	(179,874)	(2.90)%	EM30	-	-	31,766	1.73%	
AEB	WLII	Fellow subsidiary	Purchases	276,499	5.47%	EM60	-	-	(77,555)	(7.88)%	
AOI	AOA	Parent/Subsidiary	(Sales)	(162,293)	(16.90)%	OA90	-	-	187,371	27.73%	
AOI	AOE	Parent/Subsidiary	(Sales)	(359,355)	(37.43)%	OA60	-	-	119,025	17.61%	
AOI	The Company	Parent/Subsidiary	(Sales)	(313,375)	(32.64)%	EM60	-	-	307,088	45.44%	
AGT	The Company	Parent/Subsidiary	(Sales)	(404,098)	(52.17)%	OA60/EM60	-	-	130,458	47.58%	
WLII	The Company	Parent/Subsidiary	Purchases	1,667,404	9.87%	EM45	-	-	(144,320)	(6.89)%	
WLII	WELL	Parent/Subsidiary	(Sales)	(354,960)	(1.97)%	EM45	-	-	100,886	4.16%	
WLII	AEB	Fellow subsidiary	(Sales)	(276,499)	(1.54)%	EM60	-	-	77,555	3.20%	
AOSD	The Company	Parent/Subsidiary	(Sales)	(1,117,417)	(100.00)%	OA60	-	-	-	-	
PAM	CRI	Fellow subsidiary	(Sales)	(220,569)	(23.66)%	TT60	-	-	123,406	42.91%	
GTI	The Company	Parent/Subsidiary	(Sales)	(309,033)	(83.48)%	OA60	-	-	-	-	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,861,265)	(2.61)%	OA60	-	-	246,628	2.48%	
AAC	ASC	Fellow subsidiary	(Sales)	(646,615)	(0.91)%	OA60	-	-	69,240	0.70%	
AAC	ATB	Fellow subsidiary	(Sales)	(461,158)	(0.65)%	OA60	-	-	87,068	0.88%	
AAC	The Company	Parent/Subsidiary	Purchases	73,481,903	100.00%	OA90	-	-	(15,257,348)	(96.17)%	
ACA	ACNZ	Fellow subsidiary	(Sales)	(103,193)	(1.43)%	OA60	-	-	407	0.02%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(165,789)	(2.30)%	EM30	-	-	30,254	1.83%	
ACA	The Company	Parent/Subsidiary	Purchases	6,199,228	93.20%	OA60	-	-	(2,246,002)	(98.22)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(273,941)	(67.89)%	OA60	-	-	83,394	87.97%	
ACCQ	ACCN	Fellow subsidiary	Purchases	273,941	1.76%	OA60	-	-	(83,394)	(5.05)%	
ACCQ	AOC	Fellow subsidiary	Purchases	188,166	1.21%	EM60	-	-	(72,841)	(4.41)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	11,420,047	73.48%	OA60	-	-	(808,111)	(48.94)%	
ACF	AEG	Fellow subsidiary	(Sales)	(354,977)	(2.74)%	OA60	-	-	1,172,814	23.44%	
ACF	AEG	Fellow subsidiary	Purchases	11,738,713	93.86%	OA60	-	-	(1,910,308)	(97.64)%	
ACF	APX	Fellow subsidiary	Purchases	159,511	1.28%	OA60	-	-	(13,030)	(0.67)%	
ACG	AEG	Fellow subsidiary	(Sales)	(613,935)	(2.08)%	OA60	-	-	2,346,828	20.09%	
ACG	AEG	Fellow subsidiary	Purchases	27,230,308	95.24%	OA60	-	-	(6,705,578)	(99.01)%	
ACG	APX	Fellow subsidiary	Purchases	249,848	0.87%	OA45	-	-	(40,822)	(0.60)%	
ACH	AEG	Fellow subsidiary	(Sales)	(102,053)	(1.50)%	OA60	-	-	439,617	22.13%	
ACH	AEG	Fellow subsidiary	Purchases	6,256,704	95.10%	OA60	-	-	(930,024)	(97.57)%	
ACH	APX	Fellow subsidiary	Purchases	115,006	1.75%	OA60	-	-	(18,307)	(1.92)%	
ACNZ	ACA	Fellow subsidiary	Purchases	103,193	10.23%	OA60	-	-	(407)	(0.18)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	878,109	87.04%	OA60	-	-	(229,474)	(99.11)%	
ACS	The Company	Parent/Subsidiary	Purchases	2,965,691	86.63%	OA60	-	-	(690,477)	(97.98)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(112,569)	(16.86)%	OA60	-	-	13,765	12.15%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
ACZ	APX	Fellow subsidiary	(Sales)	(101,091)	(15.14)%	OA60	-	-	27,877	24.60%	
ACZ	APX	Fellow subsidiary	Purchases	236,158	38.33%	OA90	-	-	(40,823)	(76.49)%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(255,450)	(38.25)%	OA30	-	-	21,615	19.07%	
AEG	ACF	Fellow subsidiary	(Sales)	(11,738,713)	(11.64)%	OA60	-	-	1,910,308	9.30%	
AEG	ACF	Fellow subsidiary	Purchases	354,977	0.36%	OA60	-	-	(1,172,814)	(8.25)%	
AEG	ACG	Fellow subsidiary	(Sales)	(27,230,308)	(27.00)%	OA60	-	-	6,705,578	32.64%	
AEG	ACG	Fellow subsidiary	Purchases	613,935	0.63%	OA60	-	-	(2,346,828)	(16.50)%	
AEG	ACH	Fellow subsidiary	(Sales)	(6,256,704)	(6.20)%	OA60	-	-	930,024	4.53%	
AEG	ACH	Fellow subsidiary	Purchases	102,053	0.10%	OA60	-	-	(439,617)	(3.09)%	
AEG	ACZ	Fellow subsidiary	Purchases	112,569	0.12%	OA60	-	-	(13,765)	(0.10)%	
AEG	AEH	Parent/Subsidiary	Purchases	186,652	0.19%	OA60	-	-	(15,720)	(0.11)%	
AEG	AIB	Fellow subsidiary	(Sales)	(5,833,518)	(5.78)%	OA60	-	-	796,243	3.88%	
AEG	AIB	Fellow subsidiary	Purchases	339,693	0.35%	OA60	-	-	(630,307)	(4.43)%	
AEG	AIT	Fellow subsidiary	(Sales)	(5,843,573)	(5.79)%	OA60	-	-	669,913	3.26%	
AEG	AIT	Fellow subsidiary	Purchases	268,015	0.27%	OA60	-	-	(892,698)	(6.28)%	
AEG	APX	Fellow subsidiary	(Sales)	(1,138,756)	(1.13)%	OA60	-	-	-	-	
AEG	APX	Fellow subsidiary	Purchases	1,659,237	1.70%	OA60	-	-	(59,609)	(0.42)%	
AEG	ASIN	Fellow subsidiary	(Sales)	(28,132,758)	(27.89)%	OA60	-	-	6,054,479	29.47%	
AEG	ASZ	Fellow subsidiary	(Sales)	(2,329,461)	(2.31)%	OA60	-	-	349,445	1.70%	
AEG	ASZ	Fellow subsidiary	Purchases	104,885	0.11%	OA60	-	-	(278,167)	(1.96)%	
AEG	AUK	Fellow subsidiary	(Sales)	(9,446,695)	(9.37)%	OA60	-	-	2,209,507	10.76%	
AEG	CPY	Fellow subsidiary	(Sales)	(1,428,061)	(1.42)%	OA60	-	-	368,248	1.79%	
AEG	ENNL	Fellow subsidiary	Purchases	119,695	0.12%	OA30	-	-	(26,013)	(0.18)%	
AEG	SER	Fellow subsidiary	(Sales)	(1,619,494)	(1.61)%	OA60	-	-	348,429	1.70%	
AEG	The Company	Parent/Subsidiary	Purchases	93,323,424	95.56%	OA60	-	-	(6,603,418)	(46.43)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(186,652)	(70.17)%	OA60	-	-	15,720	56.42%	
AFE	The Company	Parent/Subsidiary	Purchases	574,495	89.37%	OA60	-	-	(117,976)	(93.11)%	
AIB	AEG	Fellow subsidiary	(Sales)	(339,693)	(5.24)%	OA60	-	-	630,307	28.32%	
AIB	AEG	Fellow subsidiary	Purchases	5,833,518	92.44%	OA60	-	-	(796,243)	(97.52)%	
AIB	APX	Fellow subsidiary	Purchases	140,758	2.23%	OA60	-	-	(23,452)	(2.87)%	
AIL	The Company	Parent/Subsidiary	Purchases	9,717,757	68.09%	OA150	-	-	(5,039,862)	(91.60)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(189,477)	(2.30)%	OA60	-	-	24,192	2.68%	
AIN	AMI	Fellow subsidiary	Purchases	1,055,874	13.16%	OA90	-	-	-	-	
AIN	The Company	Parent/Subsidiary	(Sales)	(719,887)	(8.74)%	OA60	-	-	37,111	4.11%	
AIN	The Company	Parent/Subsidiary	Purchases	7,765,861	86.84%	OA90	-	-	(2,614,602)	(99.59)%	
AIT	AEG	Fellow subsidiary	(Sales)	(268,015)	(4.17)%	OA60	-	-	892,698	34.32%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AIT	AEG	Fellow subsidiary	Purchases	5,843,573	94.03%	OA60	-	-	(669,913)	(96.16)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,580,432	62.85%	OA60	-	-	(720,672)	(99.98)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,861,265	94.11%	OA60	-	-	(246,628)	(97.23)%	
AMI	AIN	Fellow subsidiary	(Sales)	(1,055,874)	(99.84)%	OA90	-	-	-	-	
AMI	AIN	Parent/Subsidiary	Purchases	189,477	15.38%	OA60	-	-	(24,192)	(11.44)%	
AMI	The Company	Parent/Subsidiary	Purchases	987,777	80.16%	OA90	-	-	(180,379)	(85.28)%	
AOA	AOI	Parent/Subsidiary	Purchases	162,293	98.47%	OA90	-	-	(187,371)	(98.27)%	
AOC	ACCQ	Fellow subsidiary	(Sales)	(188,166)	(84.91)%	EM60	-	-	72,841	91.98%	
AOE	AOI	Parent/Subsidiary	Purchases	359,355	99.33%	OA60	-	-	(119,025)	(100.00)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(198,222)	(8.34)%	OA60	-	-	69,439	33.61%	
APHI	The Company	Parent/Subsidiary	Purchases	1,989,819	86.57%	OA60	-	-	(605,612)	(95.60)%	
APX	ACF	Fellow subsidiary	(Sales)	(159,511)	(4.67)%	OA60	-	-	13,030	5.71%	
APX	ACG	Fellow subsidiary	(Sales)	(249,848)	(7.32)%	OA45	-	-	40,822	17.90%	
APX	ACH	Fellow subsidiary	(Sales)	(115,006)	(3.37)%	OA60	-	-	18,307	8.03%	
APX	ACZ	Fellow subsidiary	(Sales)	(236,158)	(6.92)%	OA90	-	-	40,823	17.90%	
APX	ACZ	Fellow subsidiary	Purchases	101,091	3.38%	OA60	-	-	(27,877)	(16.46)%	
APX	AEG	Fellow subsidiary	(Sales)	(1,659,237)	(48.58)%	OA60	-	-	59,609	26.14%	
APX	AEG	Fellow subsidiary	Purchases	1,138,756	38.10%	OA60	-	-	-	-	
APX	AIB	Fellow subsidiary	(Sales)	(140,758)	(4.12)%	OA60	-	-	23,452	10.28%	
APX	The Company	Parent/Subsidiary	Purchases	144,075	4.82%	OA60	-	-	(24,763)	(14.62)%	
ARU	ASIN	Fellow subsidiary	(Sales)	(132,317)	(100.00)%	OA60	-	-	9,718	100.00%	
ASC	AAC	Fellow subsidiary	Purchases	646,615	80.14%	OA60	-	-	(69,240)	(53.48)%	
ASC	The Company	Parent/Subsidiary	Purchases	160,162	19.85%	OA60	-	-	(13,235)	(10.22)%	
ASIN	ACZ	Fellow subsidiary	Purchases	255,450	0.89%	OA30	-	-	(21,615)	(0.35)%	
ASIN	AEG	Fellow subsidiary	Purchases	28,132,758	98.48%	OA60	-	-	(6,054,479)	(99.34)%	
ASIN	ARU	Fellow subsidiary	Purchases	132,317	0.46%	OA60	-	-	(9,718)	(0.16)%	
ASSB	HSN	Fellow subsidiary	(Sales)	(122,135)	(2.36)%	OA60	-	-	28,762	11.81%	
ASSB	SMA	Parent/Subsidiary	(Sales)	(643,486)	(12.43)%	OA60	-	-	-	-	
ASSB	The Company	Parent/Subsidiary	Purchases	4,444,131	95.42%	OA60	-	-	(559,237)	(98.42)%	
ASZ	AEG	Fellow subsidiary	(Sales)	(104,885)	(3.90)%	OA60	-	-	278,167	29.33%	
ASZ	AEG	Fellow subsidiary	Purchases	2,329,461	91.80%	OA60	-	-	(349,445)	(96.85)%	
ATB	AAC	Fellow subsidiary	Purchases	461,158	4.68%	OA60	-	-	(87,068)	(3.35)%	
ATH	The Company	Parent/Subsidiary	Purchases	7,508,925	94.55%	OA60	-	-	(1,499,048)	(93.35)%	
AUK	AEG	Fellow subsidiary	Purchases	9,446,695	93.73%	OA60	-	-	(2,209,507)	(99.90)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(118,143)	(32.06)%	OA60	-	-	8,606	17.77%	
AVN	The Company	Parent/Subsidiary	Purchases	246,007	89.11%	OA60	-	-	(34,721)	(80.61)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others (Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Bluechip	ACA	Fellow subsidiary	Purchases	165,789	6.62%	EM30	-	-	(30,254)	(16.42)%	
CPY	AEG	Fellow subsidiary	Purchases	1,428,061	100.00%	OA60	-	-	(368,248)	(97.35)%	
CRI	PAM	Fellow subsidiary	Purchases	220,569	26.44%	TT60	-	-	(123,406)	(68.88)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(119,695)	(100.00)%	OA30	-	-	26,013	98.80%	
GrandPAD	The Company	Associate	Purchases	128,715	47.38%	EM120	-	-	-	-	
HSN	ASSB	Fellow subsidiary	Purchases	122,135	38.85%	OA60	-	-	(28,762)	(9.15)%	
SER	AEG	Fellow subsidiary	Purchases	1,619,494	100.00%	OA60	-	-	(348,429)	(98.41)%	
SMA	ASSB	Parent/Subsidiary	Purchases	643,486	18.08%	OA60	-	-	-	-	

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

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

Acer Incorporated
Receivables from related parties which exceed NT$100 million or 20% of the paid-in capital
December 31, 2021

Table 6

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	AAC	Parent/Subsidiary	15,257,348	5.66	-		8,662,642	-	
The Company	ACA	Parent/Subsidiary	2,246,606	3.25	813,274	Under collection	1,477,610	-	
The Company	ACCQ	Parent/Subsidiary	808,111	17.88	-		898,553	-	
The Company	ACNZ	Parent/Subsidiary	229,474	4.87	151,625	Under collection	218,534	-	
The Company	ACS	Parent/Subsidiary	697,621	5.07	280,528	Under collection	329,171	-	
The Company	AEG	Parent/Subsidiary	6,603,418	21.98	-		7,485,642	-	
The Company	AFE	Parent/Subsidiary	448,270	1.87	8,029	Under collection	92,656	-	
The Company	AIL	Parent/Subsidiary	5,039,862	2.48	-		1,008,839	-	
The Company	AIN	Parent/Subsidiary	2,614,602	5.11	-		1,822,071	-	
The Company	AJC	Parent/Subsidiary	722,364	0.69	431,182	Under collection	120,538	-	
The Company	AMI	Parent/Subsidiary	180,379	10.33	-		57,462	-	
The Company	APHI	Parent/Subsidiary	605,612	4.48	9,113	Under collection	521,626	-	
The Company	ASSB	Parent/Subsidiary	560,163	8.18	-		437,352	-	
The Company	ATH	Parent/Subsidiary	1,499,048	7.33	346,831	Under collection	1,280,001	-	
The Company	ITS	Parent/Subsidiary	111,490	2.92	459	Under collection	1,135	-	
The Company	WLII	Parent/Subsidiary	144,811	10.36	-		144,811	-	
ABH	ABST	Parent/Subsidiary	105,988	-	-		-	-	
AOI	AOA	Parent/Subsidiary	187,371	0.78	148,733	Under collection	11,586	-	
AOI	AOE	Parent/Subsidiary	119,025	3.02	62,404	Under collection	40,120	-	
AOI	The Company	Parent/Subsidiary	307,088	4.02	2,025	Under collection	307,088	-	
AGT	The Company	Parent/Subsidiary	201,387	6.20	23,417	Under collection	23,417	-	
WLII	CRI	Parent/Subsidiary	138,801	-	-		-	-	Note 2
WLII	WELL	Parent/Subsidiary	100,886	4.59	-		-	-	
PAM	CRI	Fellow subsidiary	123,406	6.13	-		-	-	
ADSC	ASDI	Fellow subsidiary	169,060	-	-		-	-	
ADSC	The Company	Parent/Subsidiary	100,314	-	-		-	-	
CCI	The Company	Parent/Subsidiary	100,314	-	-		-	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
AAC	AMEX	Fellow subsidiary	246,628	3.94	-		-	-	
AAC	ASC	Fellow subsidiary	411,324	8.78	-		-	-	
AAH	AAC	Parent/Subsidiary	4,213,197	-	-		-	-	
ACCQ	The Company	Parent/Subsidiary	139,088	-	-		-	-	
ACF	AEG	Fellow subsidiary	1,172,814	0.32	30,634	Under collection	30,634	-	
ACG	AEG	Fellow subsidiary	2,346,828	0.25	47,014	Under collection	47,014	-	
ACH	AEG	Fellow subsidiary	439,617	0.22	-		-	-	
AEG	ACF	Fellow subsidiary	1,910,308	7.81	-		-	-	
AEG	ACG	Fellow subsidiary	6,705,578	4.74	1,071,963	Under collection	958,073	-	
AEG	ACH	Fellow subsidiary	930,024	7.92	-		-	-	
AEG	AIB	Fellow subsidiary	796,243	7.08	-		-	-	
AEG	AIT	Fellow subsidiary	669,913	6.48	-		-	-	
AEG	ASIN	Fellow subsidiary	6,054,479	5.71	-		-	-	
AEG	ASZ	Fellow subsidiary	349,445	8.52	-		-	-	
AEG	AUK	Fellow subsidiary	2,209,507	4.37	657,169	Under collection	668,472	-	
AEG	CPY	Fellow subsidiary	368,248	7.76	21,444	Under collection	21,444	-	
AEG	SER	Fellow subsidiary	348,429	5.50	-		-	-	
AIB	AEG	Fellow subsidiary	631,314	0.56	-		-	-	
AIT	AEG	Fellow subsidiary	892,698	0.33	-		-	-	
AIZS	ACCQ	Fellow subsidiary	212,068	-	-		-	-	
ASC	AAC	Fellow subsidiary	153,973	88.36	-		-	-	
ASIN	AEG	Fellow subsidiary	402,953	0.01	-		-	-	
ASZ	AEG	Fellow subsidiary	278,439	0.36	-		-	-	
AUK	AEG	Fellow subsidiary	846,791	0.11	-		-	-	
GWI	AAC	Parent/Subsidiary	395,967	-	-		-	-	

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

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

Acer Incorporated
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2021

Table 7

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2021			Maximum ownership during 2021		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
The Company	ADSC	Taiwan	Investment and holding activity	1,143,730	1,143,730	66,215	100.00	1,291,834	128,282	100.00	64,348	64,348	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	25,487,197	1,263,432	92.02	1,846,032	1,698,627	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	17,738,760	147	100.00	2,098,315	2,098,315	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	15,443,940	191,155	100.00	594,893	594,893	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	32,988	1,421	28.10	82,086	1,225	33.39	28,407	7,665	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	5,658,111	5,658,111	158,475	100.00	683,136	158,475	100.00	(24,306)	(24,306)	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	1,299,817	1,299,817	-	100.00	600,892	-	100.00	2,769	2,769	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,139,390	1,139,390	10,971	64.54	415,709	10,971	64.54	86,853	56,052	Parent/Subsidiary
The Company	WLII	Taiwan	Sale of computers and communication products	728,694	730,210	48,073	58.93	1,118,169	49,674	67.36	340,919	204,569	Parent/Subsidiary
The Company	ATI	Taiwan	Integrated circuit test service	-	815,583	-	-	-	1,203	19.39	-	-	Associate
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,826,148	6,800,751	12,540	100.00	1,983,403	16,000	100.00	8,082	(3,922)	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,607,555	149,779	100.00	125,439	125,439	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	441	66.81	7,092	441	66.81	(475)	(317)	Parent/Subsidiary
The Company	EDC	Taiwan	Data center and cloud services	518,167	1,595,356	44,462	100.00	468,820	162,956	100.00	30,747	30,747	Parent/Subsidiary
The Company	AOI	Taiwan	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	333,155	333,155	28,970	40.55	271,241	28,970	40.55	136,351	53,664	Parent/Subsidiary
The Company	GTI	Taiwan	Sale of peripheral 3C products	-	45,000	-	-	-	4,500	83.64	10,921	8,346	Parent/Subsidiary
The Company	HSNC	Taiwan	Repair and maintenance of IT products	107,429	150,000	10,743	66.27	111,599	15,000	92.54	12,158	10,630	Parent/Subsidiary
The Company	SFT	Taiwan	Research, manufacturing and sale of radio-detection and civilian technology application products related to distance	132,000	132,000	13,200	55.00	71,601	13,200	55.00	(32,213)	(17,717)	Joint Venture
The Company	AST	Taiwan	System integration service	82,577	82,577	6,775	52.00	190,403	6,775	60.88	20,697	16,544	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	93,365	93,365	8,222	100.00	84,778	8,222	100.00	1,046	1,046	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	107,851	-	10,000	100.00	133,637	10,000	100.00	32,391	25,807	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	-	107,719	100.00	1,077,692	107,719	100.00	503	503	Parent/Subsidiary
ASBZ	VRE	Switzerland	Research of solutions to B2B virtual reality	38,979	38,979	100	100.00	(144)	100	100.00	(229)	Note 1	Parent/Subsidiary
HSNC	HSNT	Thailand	Repair and maintenance of IT products	2,345	1,763	74	100.00	1,733	74	100.00	(3,850)	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	Repair and maintenance of IT products	30,501	30,501	99	99.00	37,275	99	99.00	5,022	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	Repair and maintenance of IT products	85,419	85,419	500	100.00	92,840	500	100.00	9,178	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	Repair and maintenance of IT products	6,741	6,741	106	0.00	19,957	106	100.00	25,145	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	Repair and maintenance of IT products	4,192	-	-	100.00	2,783	-	100.00	(1,419)	Note 1	Parent/Subsidiary
AST	ISU	Taiwan	Human resources and project service	20,000	20,000	2,000	100.00	38,576	2,000	100.00	17,409	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	-	1	100.00	11,657	1	100.00	(2,199)	Note 1	Parent/Subsidiary
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	27,195	1,244	24.88	32,327	Note 1	Associate
ADSC	APDI	Taiwan	Solar optronics business	29,577	29,577	2,958	100.00	38,156	2,958	100.00	1,184	Note 1	Parent/Subsidiary
ADSC	ASDI	Taiwan	Hotel management service	500,000	500,000	5,000	100.00	58,571	22,593	100.00	10,932	Note 1	Parent/Subsidiary
ADSC	AGM	Taiwan	Agency of video game console and peripherals	-	10,000	-	-	-	1,000	100.00	32,391	Note 1	Parent/Subsidiary
ADSC	Kbest	Taiwan	Development and manufacturing of radio and microwave equipment	129,293	129,293	4,713	29.84	32,937	4,713	29.84	26,851	Note 1	Associate

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2021			Maximum ownership during 2021		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
ASDI	Kbest	Taiwan	Development and manufacturing of radio and microwave equipment	3,997	3,997	0	0.00	0	286	1.81	26,851	Note 1	Associate
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	9,885	452	9.05	32,327	Note 1	Associate
WLII	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,568	882	30.22	9,019	Note 1	Associate
WLII	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	16,576	1,000	100.00	9,841	Note 1	Parent/Subsidiary
WLII	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	275,656	6,000	20.00	320,613	Note 1	Associate
WLII	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	730	75	75.00	58	Note 1	Parent/Subsidiary
WLII	PGL	Cayman Islands	Investment and holding activity	337,906	152,983	2,550	51.00	335,224	2,550	51.00	143,530	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,257,417	109,639	7.98	1,846,032	Note 1	Fellow subsidiaries
ACTI	GrandPAD	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.88	169,885	436	32.01	(24,570)	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(1,613)	100	100.00	(1,620)	Note 1	Parent/Subsidiary
Bluechip	DingoTech	Australia	Investment and holding activity	110,110	-	1	100.00	109,985	1	100.00	8,864	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	-	3,600	100.00	112,634	3,600	100.00	340	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	275,612	275,612	26,404	72.44	639,809	32,000	87.79	337,191	Note 1	Parent/Subsidiary
ABH	ACTTW	Taiwan	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	955,056	955,056	2,900	100.00	(32,918)	42,694	100.00	(23,969)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	141,711	141,711	7,249	100.00	61,003	7,249	100.00	4,428	Note 1	Parent/Subsidiary
ABH	ALT	Taiwan	High performance computing, cloud computing, software-defined storage, and IT solution	78,613	78,613	6,581	78.59	63,156	6,581	86.59	(11,515)	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	394,772	394,772	34,308	94.41	105,848	34,308	94.41	(48,685)	Note 1	Parent/Subsidiary
ABH	AMED	Taiwan	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	83,490	50,000	7,299	60.83	69,820	5,000	100.00	(33,482)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(6,157)	1,989	49.00	(12,508)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle	38,173	38,173	2,310	100.00	12,417	2,310	100.00	194	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	50,676	50,676	2,947	100.00	1,855	2,947	100.00	(3,228)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(6,409)	2,071	51.00	(12,508)	Note 1	Parent/Subsidiary
ACTTW	ABST	Taiwan	Technical service and research of aBeing cloud digital content management	300,000	300,000	2,500	100.00	(62,026)	30,000	100.00	(14,807)	Note 1	Parent/Subsidiary
ABST	ABSG	Germany	Technical service and research of aBeing cloud digital content management	325,630	291,910	6,029	100.00	(21,806)	6,029	100.00	(16,637)	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	-	1,000	100.00	7,640	1,000	100.00	(2,360)	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	0	11.27	22,733	570	15.54	28,407	Note 1	Fellow subsidiaries
AOI	AOA	U.S.A.	Sale of computer, apparatus system, and peripheral equipment	295,771	295,771	15,000	100.00	(154,426)	15,000	100.00	10,317	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1	100.00	(21,607)	1	100.00	6,576	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Sale of computer, apparatus system, and peripheral equipment	1,623	1,623	50	100.00	267,627	50	100.00	20,153	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	27,769	1	100.00	1,663	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	60,000	60,000	4,000	100.00	38,554	4,000	100.00	(2,478)	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	11,907	105	70.00	(4,230)	Note 1	Parent/Subsidiary
AOI	HTW	Hong Kong	Software development and agency	405	405	100	100.00	701	100	100.00	2	Note 1	Parent/Subsidiary
AOI	AOSD	Taiwan	Sale of display device	0	20,000	0	-	-	2,500	100.00	38,132	Note 1	Parent/Subsidiary

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2021			Maximum ownership during 2021		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
AOI	MPL	Australia	Sale of computer, apparatus system, and peripheral equipment	-	22,887	-	-	-	39	27.21	(57,752)	Note 1	Associate
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	376,238	376,238	6,664	17.28	317,106	6,664	20.07	204,514	Note 1	Associate
AOTH	GCL	Hong Kong	Sale of computer, apparatus system, and peripheral equipment	2,675	2,675	300	100.00	3,511	300	100.00	1	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	16,446	1	100.00	(2,718)	Note 1	Parent/Subsidiary

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

Acer Incorporated
Information on Investments in Mainland China
For the year ended December 31, 2021

Table 8

(Amounts in Thousands of New Taiwan Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2021		Share of profits/ losses of investee	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	83,070	1	83,070	-	-	83,070	3,283	100.00	-	100.00	3,283	(866)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	41,535	2	-	-	-	-	2,819	100.00	-	100.00	2,819	213,726	-
Acer Computer (Shanghai) Ltd.	Sale of brand-name IT products	55,380	2	55,380	-	-	55,380	15,766	100.00	-	100.00	15,766	1,210,825	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,153,500	2	4,264,260 (Note 2)	-	-	4,264,260	112,908	100.00	-	100.00	112,908	4,446,417	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	138,450	1	138,450	-	-	138,450	(2,887)	100.00	-	100.00	(2,887)	30,927	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	26,139	1	(Note 3)	-	-	-	(10,084)	30.00	-	30.00	(3,025)	7,357	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	8,324	1	8,324	-	-	8,324	(378)	100.00	-	100.00	(378)	5,324	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	13,069	1	(Note 3)	-	-	-	5,616	30.00	-	30.00	1,685	8,496	-
Acer China Venture Corp	Fund company management	21,782	1	21,782	-	-	21,782	(1,681)	100.00	-	100.00	(1,681)	2,593	-
Acer China Venture Partnership (Limited Partnership)	Investment fund	65,347	1	60,990 (Note 4)	-	-	60,990	(18)	100.00	-	100.00	(18)	9,270	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,356	1	4,356	-	-	4,356	5	100.00	-	100.00	5	8,901	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,168	1	19,168	-	-	19,168	10,148	100.00	-	100.00	10,148	93,292	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	3,711	100.00	-	100.00	3,711	25,708	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	13,845	1	13,845	-	-	13,845	13,644	100.00	-	100.00	13,644	34,569	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(172)	100.00	-	100.00	(172)	15,333	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	13,245	100.00	-	100.00	13,245	249,166	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	17,999	2	-	-	-	-	36,288	100.00	-	100.00	12,868	128,892	-

Note 1: Method of Investment:

Type 1: Direct investment in Mainland China.

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

Note 2: Acer Intellectual (Chongqing) Limited had merged with Acer (Chongqing) Ltd. in 2014, and Acer (Chongqing) Ltd. was the surviving entity from the merger. This amount included the original investment in Acer Intellectual (Chongqing) Limited of $110,760 (US$ 4,000 thousand).

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

Note 4: Acer China Venture Partnership was invested by the Company and Acer China Venture Corp of $60,533 and $4,324, respectively.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2021 (Note 5)(Note 6)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)(Note 6)	Upper Limit on Investment Authorized by Investment
The Company and Subsidiaries	$5,242,655 (US$189,333,880)	$6,694,580 (US$241,768,884.5)	(Note)

Note 5: In September, 2008, AOI had disposed all shares of JNS Technology Co., Ltd., and the proceeds from the disposal of US$ 730,000 had been remitted to AOI in March 2010.
AOI has not yet to report to MOEA, therefore, the amout of US$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 6: T-Conn Precision(Zhongshan) Co., Ltd., indirectly invested by AOI, had been dissolved and the related liquidation process has been completed. The liquidation proceeds of US$ 31,549.06 (according to ownership percentage of 19%) has been remitted to Super Elite Ltd., a holding company established in other countries. On March 12, 2010, AOI has obtained MOEA's approval to withdraw its investment. However, the amount of accumulated investment in Mainland China still included the amount of US$ 57,000 due to the liquidation of capital which has yet to be remitted to Taiwan.

The above amounts were translated into New Taiwan dollars at the exchange rate of US$1=NT$27.69 as of December 31, 2021.
Note: Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limitation on investment in Mainland China.

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