

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

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

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

(Continued)

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

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

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

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

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

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

ACER INCORPORATED**Parent-Company-Only Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		2022		2021	
		Amount	%	Amount	%
4000	Net revenue (notes 6(u) and 7)	\$ 169,284,764	100	246,828,456	100
5000	Cost of revenue (notes 6(g) & (o) and 7)	(159,192,798)	(94)	(231,450,073)	(94)
	Gross profit before realized gross profit on sales to subsidiaries, associates and joint ventures	10,091,966	6	15,378,383	6
5920	Realized gross profit on sales to subsidiaries, associates and joint ventures	40,330	-	(45,415)	-
	Gross profit	10,132,296	6	15,332,968	6
	Operating expenses (notes 6(e), (i), (j), (k), (l), (n), (o), (p), (q) & (v), 7 and 12):				
6100	Selling expenses	(2,772,572)	(1)	(3,325,745)	(1)
6200	General and administrative expenses	(1,283,169)	(1)	(1,459,183)	(1)
6300	Research and development expenses	(1,991,463)	(1)	(2,204,357)	(1)
	Total operating expenses	(6,047,204)	(3)	(6,989,285)	(3)
6500	Other operating income and expenses, net (notes 6(l) & (w) and 7)	132,051	-	161,174	-
	Operating income	4,217,143	3	8,504,857	3
	Non-operating income and loss:				
7100	Interest income (notes 6(x) and 7)	74,621	-	42,434	-
7010	Other income (note 6(x))	519,988	-	287,772	-
7020	Other gains and losses (notes 6(x) and 7)	(59,447)	-	(33,924)	-
7050	Finance costs (notes 6(n) & (x) and 7)	(113,533)	-	(51,662)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(h))	1,721,078	1	4,953,384	2
	Total non-operating income and loss	2,142,707	1	5,198,004	2
	Income before taxes	6,359,850	4	13,702,861	5
7950	Income tax expenses (note 6(r))	(1,356,162)	(1)	(2,805,434)	(1)
	Net Income	5,003,688	3	10,897,427	4
	Other comprehensive income (loss) (notes 6(h), (q), (r)&(s)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	89,278	-	(157,368)	-
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	(1,127,724)	(1)	(83,057)	-
8330	Share of other comprehensive losses of subsidiaries and associates	386,990	-	(103,357)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(17,856)	-	31,474	-
	Total items that will not be reclassified subsequently to profit or loss	(669,312)	(1)	(312,308)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	4,595,828	3	(2,766,226)	(1)
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	4,595,828	3	(2,766,226)	(1)
	Other comprehensive loss, net of taxes	3,926,516	2	(3,078,534)	(1)
	Total comprehensive income for the year	\$ 8,930,204	5	7,818,893	3
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	\$ 1.67		3.63	
9850	Diluted earnings per share	\$ 1.65		3.60	

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity						
	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	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity
Balance at January 1, 2022	\$ 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 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
Net income for the year	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,595,828	(1,204,929)	535,617	3,926,516	-	3,926,516
Total comprehensive income (loss) for the year	-	-	-	-	5,003,688	5,003,688	4,595,828	(1,204,929)	535,617	3,926,516	-	8,930,204
Appropriation approved by the stockholders:												
Legal reserve	-	-	1,058,914	-	(1,058,914)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,564,442	(2,564,442)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,949,107)	(6,949,107)	-	-	-	-	-	(6,949,107)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	107,298	-	-	-	-	-	-	-	-	-	107,298
Share of changes in equity of associates	-	(2,746)	-	-	-	-	-	-	-	-	-	(2,746)
Changes in ownership interests in subsidiaries	-	154,065	-	-	-	-	(287)	5,195	7,486	12,394	-	166,459
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	12,345	-	-	-	-	-	-	-	-	-	12,345
Reorganization under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	2,083
Liquidation of subsidiaries	-	-	-	-	-	-	1,855	-	-	1,855	-	1,855
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,350
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(43,825)	(43,825)	-	43,825	-	43,825	-	-
Balance at December 31, 2022	\$ 30,478,538	27,795,883	2,515,341	7,398,192	4,983,612	14,897,145	(4,219,903)	(409,776)	320,376	(4,809,253)	(2,914,856)	65,947,457

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

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ACER INCORPORATED**Parent-Company-Only Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

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

(Continued)

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ACER INCORPORATED**Parent-Company-Only Statements of Cash Flows (Continued)****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

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

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