(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese) Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2018 and 2017

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2018, December 31, 2017, and March 31, 2017

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2018		December 31, 2	2017	March 31, 2017		
	Assets	Amount	%	Amount	%	Amount	%	
	Current assets:							
1100	Cash and cash equivalents	\$ 29,382,264	20	33,970,331	22	28,780,691	20	
1110	Financial assets at fair value through profit							
	or loss—current	449,210	-	170,803	-	444,900	-	
1120	Financial assets at fair value through other							
	comprehensive income – current	114,366	-	-	-	-	-	
1125	Available-for-sale financial assets - current	-	-	118,329	-	106,180	-	
1140	Contract assets – current	116,890	-	-	-	-	-	
1147	Investments in debt instrument without an							
	active market—current	-	-	232,466	-	30,336	-	
1170	Notes and accounts receivable, net	40,583,195	28	46,761,383	30	38,963,549	27	
1180	Accounts receivable from related parties	59,148	-	126,903	-	62,561	-	
1200	Other receivables	1,367,350	1	1,024,005	1	1,045,528	1	
1220	Current income tax assets	694,497	-	570,537	-	596,298	-	
130X	Inventories	39,652,743	27	40,079,221	25	41,792,085	29	
1460	Non-current assets held for sale, net	-	-	161,990	-	-	-	
1470	Other current assets	3,526,753	3	3,078,330	2	3,076,035	2	
	Total current assets	115,946,416	<u>79</u>	126,294,298	80	114,898,163	<u>79</u>	
	Non-current assets:							
1510	Financial assets at fair value through profit							
	or loss – non-current	305,320	-	-	-	25,381	-	
1517	Financial assets at fair value through other							
	comprehensive income – non-current	5,378,600	4	-	-	-	-	
1523	Available-for-sale financial assets - non-							
	current	-	-	5,252,341	3	4,603,685	3	
1546	Investments in debt instrument without an							
	active market — non-current	-	-	308,444	-	181,798	-	
1550	Investments accounted for using equity							
	method	441,817		569,405	-	622,339	-	
1600	Property, plant and equipment	4,062,529		4,106,559	3	4,182,034	3	
1760	Investment property	1,130,856		1,141,199	1	1,176,971	1	
1780	Intangible assets	16,846,542		17,184,151	11	17,500,205	12	
1840	Deferred income tax assets	667,846		656,478	-	644,483	-	
1900	Other non-current assets	1,037,005	1	1,101,079	1	1,278,847	1	
1980	Other financial assets – non-current	987,133		998,817	1	900,577	1	
	Total non-current assets	30,857,648	21	31,318,473	_20	31,116,320	21	
	Total assets	\$ <u>146,804,064</u>	<u>100</u>	157,612,771	<u>100</u>	<u>146,014,483</u>	<u>100</u>	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese) Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2018 and 2017

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

March 31, 2018, December 31, 2017, and March 31, 2017

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 20	18	December 31, 20	017_	March 31, 2017		
	Liabilities and Equity	Amount	%	Amount	%	Amount	%	
	Current liabilities:							
2100	Short-term borrowings	\$ 192,304	-	482,894	-	3,977,601	3	
2120	Financial liabilities at fair value through profit or loss	526,920	-	621,947	-	675,856	_	
2170	Notes and accounts payable	35,767,565	25	42,749,799	27	33,817,741	23	
2180	Accounts payable to related parties	-	-	1,183	-	2,374	-	
2200	Other payables	23,647,649	16	37,219,141	24	35,084,744	24	
2250	Provisions—current	5,100,558	4	6,656,001	4	5,740,240	4	
2322	Current portion of long-term debt	1,801,915	1	2,701,958	2	900,000	1	
2399	Other current liabilities	15,035,419	10	2,807,010	2	3,076,456	2	
	Total current liabilities	82,072,330	_56	93,239,933	<u>59</u>	83,275,012	_57	
	Non-current liabilities:							
2540	Long-term debt	3,300,454	2	3,300,499	2	5,100,000	4	
2550	Provisions – non-current	46,527	-	45,692	-	59,565	-	
2570	Deferred income tax liabilities	1,165,891	1	1,040,696	1	705,467	-	
2600	Other non-current liabilities	2,088,248	1	2,010,545	1	1,871,431	1	
	Total non-current liabilities	6,601,120	4	6,397,432	4	7,736,463	5	
	Total liabilities	88,673,450	60	99,637,365	63	91,011,475	62	
	Equity:							
3110	Common stock	30,765,028	21	30,765,028	20	30,807,328	21	
3200	Capital surplus	29,864,939	20	29,852,184	19	34,743,105	24	
	Retained earnings:							
3310	Legal reserve	-	-	-	-	145,190	-	
3320	Special reserve	-	-	-	-	1,306,709	1	
3351	Unappropriated earnings (accumulated deficit)	3,512,923	3	2,815,587	2	(4,837,624)	(3)	
3400	Other equity	(3,823,518)	(3)	(3,198,500)	(2)	(4,249,768)	(3)	
3500	Treasury stock	(2,914,856)	<u>(2</u>)	(2,914,856)	<u>(2</u>)	(2,914,856)	<u>(2</u>)	
	Equity attributable to shareholders of the Company	57,404,516	39	57,319,443	<u>37</u>	55,000,084	<u>38</u>	
36XX	Non-controlling interests	726,098	1	655,963		2,924		
	Total equity	58,130,614	40	57,975,406	37	55,003,008	38	
	Total liabilities and equity	\$ <u>146,804,064</u>	<u>100</u>	<u>157,612,771</u>	<u>100</u>	146,014,483	<u>100</u>	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese) Reviewed only, not audited in accordance with generally accepted auditing standards

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

For the three months ended March 31, 2018 and 2017

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

Revenue			For the three	month	s ended March	31
Revenue			2018	2017		
500 Centos profit (50,500.00) (75,500.00) <th< th=""><th></th><th></th><th>Amount</th><th>%</th><th>Amount</th><th>%</th></th<>			Amount	%	Amount	%
Koreal Cross profit (49,05.5) (89) (50,27.87) (90) Forestring expenses 5,758.001 3,727.738 (7) (35,227.40) (8) 6100 Selling expenses (372,77.38) (7) (35,23.40) (9) 610 Research and development expenses (909,020) (3) (30,93.40) (3) 610 Polder operating income and loss (21,200) (3) (30,93.60) (3) 700 Other income 60,007 (31,200) (3) (31,800) (3) 7010 Other gains and losses – net 60,007 (37,400) (3) (31,800) (4) 7010 Other gains and losses – net 60,007 (37,600) (31,800) (4) (40,100)<	4000	Revenue	\$ 54,803,528	100	56,052,389	100
Perating expenses	5000	Cost of revenue	(49,045,515)	<u>(89</u>)		
Selling expenses		Gross profit	5,758,013			10
Administrative expenses		Operating expenses				
Research and development expenses (59,24) (1) (53,53,58) (1) Total operating expenses (5,23,00) (2) 2,00 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 2,20 2 3,20 3 3 3 1,20 3 3 4 3,20 3 4 3,20 3 4 4,20 3 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4 4,20 4	6100		(3,727,738)	(7)	(3,527,462)	(6)
Total operating expenses C323,009 C10 C4,097,165 C7 C4,000 C1,000 C1	6200	Administrative expenses	(909,024)	(2)	(934,169)	(2)
	6300	Research and development expenses	(595,247)	<u>(1</u>)	(535,534)	<u>(1</u>)
Operating income 547,210 1 455,557 3 7010 Other gins and loss 69,722 5,75,598 7 7020 Other gins and losses – net 69,722 12,000,508 10 7020 Share of profits (losses) of associates and joint ventures 1,76,359 2 7,730 2 7020 Income (loss) before taxes 1,74,504 1 1,71,200 1 7030 Income (loss) before taxes 1,74,504 2 6,75,309 2 704 Income (loss) before taxes 1,74,504 2 6,75,309 2 80 Chrec metale (expense) benefits 1,74,504 3 2 1,71,509 2 80 Chrec metale (expense) benefits 1,74,504 3 2 1,71,509 2 81 Unrealized gains from investments lengthly toprofit or loss 85,465 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		<u>.</u> 9 <u>.</u>	(5,232,009)	<u>(10</u>)	(4,997,165)	<u>(9</u>)
Non-operating income and loss: 100	6500					
7010 Other income 69,072 c 57,588 - 7020 Other gains and loses – net 477,470 1 1518,689 1 7050 Finance costs (51,560) 2 (44,319) - 7060 Share of profits (losses) of associates and joint ventures 117,635 2 (51,217) - 790 Income (loss) before taxes 1,024,257 2 (57,155) - 795 Income tax (expense) benefits 335,2607 (1) 119,760 - 870 Other comprehensive income (loss): ** 162,600 **			547,210	1	455,557	1
7020 Other gains and losses — net 477,470 1 (518,689) (1) 7050 Finance costs (17,685) - (44,310) - 7060 Share of profits (losses) of associates and joint ventures (17,685) - (15,21) - 7970 Income (loss) before taxes 1,024,277 2 (57,155) - 7980 Income (as (expense) benefits 362,607 10 119,760 - 7830 Income tax (expense) benefits 87,605 1 62,605 - 8300 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income 85,465 -						
Finance costs			•	-		-
Share of profits (losses) of associates and joint ventures			· · · · · · · · · · · · · · · · · · ·	1		(1)
Total non-operating income and loss				-		-
	7060					
		<u>.</u>				<u>(1</u>)
Net income 671,650 1 62,605 2						-
	7950			(1)		
		Net income	6/1,650		62,605	
Non-controlling interests Non-controlling per share (in New Taiwan dollars) Non-controlling per share (in New Ta	8300	Other comprehensive income (loss):				
through other comprehensive income Income tax related to items that will not be reclassified subsequently to profit or loss Components of other comprehensive income that will not be reclassified to profit or loss Rafe Items that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operation (726,521) (1) (3,121,076) (6) (6) (726,522) (1) (3,121,076) (6) (726,522) (1) (3,121,076) (6) (726,522) (1) (3,121,076) (6) (726,522) (1) (3,121,076) (6) (726,522) (1) (3,121,076) (726,522) (1) (3,121,076) (726,522) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (3,121,076) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	8310	Items that will not be reclassified subsequently to profit or loss				
Some components of other comprehensive income that will not be reclassified to profit or loss 1tems that may be reclassified subsequently to profit or loss 1tems that may be reclassifi	8316		85,465	-	-	-
Ration Profit or loss Items that may be reclassified subsequently to profit or loss Items that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operation (726,521) (1) (3,121,076) (6) (726,521) (1) (3,121,076) (6) (726,521) (1) (3,121,076) (6) (726,521) (1) (3,121,076) (6) (726,521) (1) (3,121,076) (6) (726,521) (1) (3,121,076) (1,127,120) (1,127,12	8349		8,923			
Exchange differences on translation of foreign operation (726,521) (1) (3,121,076) (6)			94,388			
Change in fair value of available-for-sale financial assets - - 379,330 1	8360	Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates (4,314) - (368) - (358) - (3518) - (3	8361	Exchange differences on translation of foreign operation	(726,521)	(1)	(3,121,076)	(6)
Income tax related to items that may be reclassified subsequently to profit or loss (3,518) - (62 - 62 - 62 - 62 - 62 - 62 - 62 - 62 - 62 - 62 - 62 - 62 - 62 62	8362	Change in fair value of available-for-sale financial assets	-	-	379,330	1
Components of other comprehensive income that will be reclassified to profit or loss (734,353) (1) (2,742,052) (5)	8370	Share of other comprehensive income of associates	(4,314)	-	(368)	-
Solution Solution	8399		(3,518)		62	
8300 Other comprehensive income (loss), net of taxes (639,965) (1) (2,742,052) (5) Total comprehensive income (loss) for the period \$ 31,685 - (2,679,447) (5) 8610 Shareholders of the Company \$ 708,030 1 62,672 8620 Non-controlling interests (36,380) - (67) - 8710 Shareholders of the Company \$ 79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - 8720 Non-controlling interests (47,769) - (1,159) - 8720 Non-controlling interests (47,769) - (1,159) - 8720 Basic earnings per share (in New Taiwan dollars): \$ 31,685 - (2,679,447) (5) 8750 Basic earnings per share \$ 0.23 0.023			(734,353)	_(1)	(2,742,052)	<u>(5)</u>
Total comprehensive income (loss) for the period Net income attributable to: 8610 Shareholders of the Company \$708,030 1 62,672 8620 Non-controlling interests (36,380) - (67) - (67) Total comprehensive income (loss) attributable to: 8710 Shareholders of the Company \$79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - (5) 8720 Earnings per share (in New Taiwan dollars) : \$31,685 - (2,679,447) (5) 8750 Basic earnings per share \$0.23 0.02	8300		(639,965)	(1)	(2,742,052)	(5)
Net income attributable to: 8610 Shareholders of the Company \$ 708,030 1 62,672 8620 Non-controlling interests (36,380) - (67) - Total comprehensive income (loss) attributable to: 8710 Shareholders of the Company \$ 79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - 8750 Basic earnings per share (in New Taiwan dollars): \$ 31,685 - (2,679,447) (5) 9750 Basic earnings per share \$ 0.23 0.02		- · · · · · · · · · · · · · · · · · · ·	\$ 31.685	-	(2,679,447)	(5)
8610 Shareholders of the Company \$ 708,030 1 62,672 8620 Non-controlling interests (36,380) - (67) - Total comprehensive income (loss) attributable to: 8710 Shareholders of the Company \$ 79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - 8720 Earnings per share (in New Taiwan dollars): \$ 31,685 - (2,679,447) (5) Basic earnings per share \$ 0.23 0.02					(=,=17,111)	
8620 Non-controlling interests (36,380) - (67) - Total comprehensive income (loss) attributable to: 8710 Shareholders of the Company \$ 79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - 8720 Earnings per share (in New Taiwan dollars): \$ 31,685 - (2,679,447) (5) Basic earnings per share \$ 0.23 0.02	8610		\$ 708,030	1	62,672	
Start Shareholders of the Company Start Start	8620	1 2	•	_	·	_
Total comprehensive income (loss) attributable to: 8710 Shareholders of the Company \$ 79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - \$ 31,685 - (2,679,447) (5) Earnings per share (in New Taiwan dollars) : \$ 0.23 0.02 9750 Basic earnings per share \$ 0.23 0.02		· · · · · · · · · · · · · · · · · · ·		<u> </u>		
8710 Shareholders of the Company \$ 79,454 - (2,678,288) (5) 8720 Non-controlling interests (47,769) - (1,159) - (2,679,447) (5) Earnings per share (in New Taiwan dollars): 9750 Basic earnings per share \$ 0.23 0.02		Total comprehensive income (loss) attributable to:			<u> </u>	
8720 Non-controlling interests (47,769) - (1,159) - \$ 31,685 - (2,679,447) (5) Earnings per share (in New Taiwan dollars) : 9750 Basic earnings per share \$ 0.23 0.02	8710		\$ 79,454	-	(2,678,288)	(5)
\$\\\ \text{Earnings per share (in New Taiwan dollars):} \\ \text{9750} \text{Basic earnings per share} \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	8720	<u> </u>	(47,769)			
Earnings per share (in New Taiwan dollars): 9750 Basic earnings per share \$ 0.23 0.02		· · · · · · · · · · · · · · · · · · ·				<u>(5</u>)
		Earnings per share (in New Taiwan dollars):				
9850 Diluted earnings per share \$ 0.23 0.02		~ ·	\$	0.23		
	9850	Diluted earnings per share	\$	0.23		0.02

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ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

Attributable to shareholders of the Company

				Retair	ned earnings				Other	equity				_		
								Unrealized gain (loss) from financial assets measured at	Unrealized gain (loss)		Unearned compensation cost arising from			Total		
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	differences	fair value through other comprehensive income	from available-for- sale financial assets	Remeasurements of defined benefit plans	restricted shares of stock issued to employees	Total	Treasury stock	equity attributable to owners of parent		Total equity
Balance at January 1, 2017 Net income for the period Other comprehensive income (loss) for	\$ 30,807,328	34,743,105	<u>145,190</u> -	<u>1,306,709</u>	(4,900,296) 62,672	(3,448,397) 62,672	(1,061,015)	- -	(347,770)	(77,257)	(26,743)	(1,512,785)	(2,914,856)	57,674,395 62,672	<u>4,083</u> (67)	57,678,478 62,605
the period Total comprehensive income (loss) for							(3,120,290)		379,330	-	-	(2,740,960)		(2,740,960)	(1,092)	(2,742,052)
the period Compensation cost arising from restricted shares of stock issued to					62,672	62,672	(3,120,290)	<u> </u>	379,330	-		(2,740,960)		(2,678,288)	(1,159)	(2,679,447)
employees Balance at March 31, 2017	\$ 30,807,328	34,743,105	145,190	1,306,709	(4,837,624)	(3,385,725)	(4,181,305)	<u>-</u>	31,560	(77,257)	3,977 (22,766)	3,977 (4,249,768)	(2,914,856)	3,977 55,000,084	2,924	3,977 55,003,008
Balance at January 1,2018 Effects of retrospective application Equity at beginning of period after	\$ 30,765,028	29,852,184	<u>-</u>	<u>-</u>	2,815,587 (10,694)	2,815,587 (10,694)	(3,202,161)	112,035	112,035 (112,035)	(96,281)	(12,093)	(3,198,500)	(2,914,856)	57,319,443 (10,694)	655,963	57,975,406 (10,694)
adjustments Net income for the period	30,765,028	29,852,184	-		<u>2,804,893</u> 708,030	2,804,893 708,030	(3,202,161)	112,035	-	(96,281)	(12,093)	(3,198,500)	(2,914,856)	<u>57,308,749</u> 708,030	655,963 (36,380)	57,964,712 671,650
Other comprehensive income (loss) for the period Total comprehensive income (loss) for					<u> </u>		(741,192)	103,695		8,921		(628,576)		(628,576)	(11,389)	(639,965)
the period Changes in equity of investment in					708,030	708,030	(741,192)	103,695		8,921		(628,576)		79,454	(47,769)	31,685
associates Acquisition of subsidiaries Exercise of stock option from	-	782	-	-	- -	-	- -	- -	-	- -	- -	-	-	782	(19) 97,474	763 97,474
employees of subsidiaries Changes in ownership interests in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,053	31,053
subsidiaries Compensation cost arising from restricted shares of stock issued to	-	10,667	-	-	-	-	-	-	-	-	-	-	-	10,667	(10,667)	-
employees Stock option compensation cost of	-	-	-	-	-	-	-	-	-	-	3,558	3,558	-	3,558	-	3,558
subsidiary Balance at March 31, 2018	\$ <u>30,765,028</u>	1,306 29,864,939	<u>-</u>		3,512,923	3,512,923	(3,943,353)	215,730	<u>-</u>	(87,360)	(8,535)	(3,823,518)	(2,914,856)	1,306 57,404,516	63 726,098	1,369 58,130,614

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese) Reviewed only, not audited in accordance with generally accepted auditing standards

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

Cash flows from operating activities: Income (loss) before income tax \$ 1,024,257 (57,155) Adjustments for: Adjustments for: Adjustments for recordic profit (loss): Depreciation 105,168 131,823 Amortization 100,890 141,854 Net loss on financial assets at fair value through profit or loss 16,9003 44,319 Interest income (69,072) 55,890 Share-based compensation cost 69,072 3,977 Effects of exchange rate changes in investments in debt instrument without an active market 17,635 7,302 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment 555 1,763 Intangible assets reclassified to expense 43,245 - Other non-current assets reclassified to exist ments 35,005 - Total profit and loss 275,895 300,470 Net loss (gain) on disposal of investments 3,696 1,869 Other non-current assets reclassified to expense 10 1,740,751 Other investment loss <th></th> <th>For</th> <th>the three months e</th> <th>ended March 31</th>		For	the three months e	ended March 31
National (loss) before income tax			2018	2017
National (loss) before income tax	Cash flows from operating activities:			
Adjustments to reconcile profit (loss): Appreciation 105,168 131,823 Amortization 100,890 141,854 Net loss on financial assets at fair value through profit or loss (16,903) - Interest expense 51,860 44,319 Interest income (69,072) (57,598) Share-based compensation cost 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market - 8,254 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment (556) 1,763 Intangible assets reclassified to expenses - 83 Other non-current assets reclassified to expenses 35,005 - Other investment loss 35,005 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,506 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities Net changes in operating assets		\$	1,024,257	(57,155)
Depreciation		·	,- ,	(, ,
Depreciation 105,168 131,823 Amortization 100,890 141,854 Net loss on financial assets at fair value through profit or loss (16,903) - Interest expense 51,860 44,319 Interest income (69,072) (57,598) Share-based compensation cost 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market 17,635 7,302 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment (556) 1,763 Intangible assets reclassified to expenses 35,005 -83 Other non-current assets reclassified to expenses 35,005 -83 Other investment loss 275,895 300,470 Changes in operating assets 275,895 300,470 Changes in operating assets and liabilities 117,40,751 1,740,751 Contract assets (116,890) - Notes and accounts rece	· · · · · · · · · · · · · · · · · · ·			
Amortization 100,890 141,854 Net loss on financial assets at fair value through profit or loss (16,903) - Interest expense 51,860 44,319 Interest income (69,072) (57,598) Share-based compensation cost 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market 17,635 7,302 Abare of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment (556) 1,763 Intangible assets reclassified to expenses - 8.3 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 3,696 18,693 Total profit and los 275,895 300,470 Changes in operating assets and liabilities: 8.254 - Net changes in operating assets and liabilities: (107,510 1,740,751 Contract assets (107,510 1,740,751 Receivables from related parties 67,755 19,414 Inventories 613,308			105,168	131.823
Net loss on financial assets at fair value through profit or loss 11,600 44,319 Interest expense 51,860 44,319 Interest income (69,072) (57,598) Share-based compensation cost 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market - 8,254 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment (556) 1,763 Intangible assets reclassified to expenses - 8.254 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: Net changes in operating assets Derivative financial instruments at fair value through profit or loss (107,510 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,346,657 5,266,756 </td <td>•</td> <td></td> <td></td> <td></td>	•			
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Interest income (69,072) (57,598) Share-based compensation cost 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market - 8,254 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment intangible assets reclassified to expenses - 83 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: - - Net changes in operating assets (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties (766,171) (257,024) Non-current accounts receivable			, , ,	44,319
Share-based compensation cost 4,927 3,977 Effects of exchange rate changes in investments in debt instrument without an active market - 8,254 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment (556) 1,763 Intangible assets reclassified to expenses - 83 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets (107,510) 1,740,751 Changes in operating assets (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories (613,308 (2,699,359) Other receivables and other current assets (63,014) - Non-current assets (63,014) - <t< td=""><td>•</td><td></td><td></td><td>(57,598)</td></t<>	•			(57,598)
Effects of exchange rate changes in investments in debt instrument without an active market without an active market Share of losses (profit) of associates and joint ventures 17,635 7,302 1,763 1,7635 1,763 1,76	Share-based compensation cost			
without an active market 8,254 Share of losses (profit) of associates and joint ventures 17,635 7,302 Loss (gain) on disposal of property, plan and equipment (556) 1,763 Intangible assets reclassified to expenses - 88 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 3,696 18,693 Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets 3 606 18,693 Charges in operating assets 8 107,510 1,740,751 Contract assets (107,510) 1,740,751 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current ascetis (63,014) - Net changes in operating lassets (50,12,250) 4,070,538				
Loss (gain) on disposal of property, plan and equipment Intangible assets reclassified to expenses (556) 1,763 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: Net changes in operating assets (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets (766,171) (257,024) Notes and accounts payable (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and o			-	8,254
Intangible assets reclassified to expenses - 83 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: 8 30,470 Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 1613,308 (2,699,359) Other receivables and other current assets (63,014) - Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating lassets (63,014) - Net changes in operating lassets (7,213,882) (1,904,160) Payables to related parties (7,213,882) (1,904,160) Payables to relat	Share of losses (profit) of associates and joint ventures		17,635	7,302
Intangible assets reclassified to expenses - 83 Other non-current assets reclassified to costs 43,245 - Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: 8 30,470 Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 1613,308 (2,699,359) Other receivables and other current assets (63,014) - Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating lassets (63,014) - Net changes in operating lassets (7,213,882) (1,904,160) Payables to related parties (7,213,882) (1,904,160) Payables to relat			(556)	1,763
Net loss (gain) on disposal of investments 35,005 - Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: Net changes in operating assets: Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 63,94,657 5,266,756 Receivables from related parties 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets of poperating assets (63,014) - Net changes in operating assets (766,171) (257,024) Notes and accounts payable (7,213,882) (19,049,160) Payables to related parties (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,242,168) (1,646,521) Provisions			-	83
Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: Net changes in operating assets: Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 613,308 (2,699,359) Other notrices (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Other non-current assets (63,014) - Net changes in operating assets (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,21,3882) (19,049,160) Provisions (1,544,168) (1,646,521) Other non-current liabilities 7,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,0	Other non-current assets reclassified to costs		43,245	-
Other investment loss 3,696 18,693 Total profit and loss 275,895 300,470 Changes in operating assets and liabilities: Net changes in operating assets: Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 613,308 (2,699,359) Other notices (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Other non-current assets (63,014) - Net changes in operating assets (6012,250) 4,070,538 Net changes in operating liabilities (7,213,882) (19,049,160) Other payables to related parties (1,424,168) (1,646,521) Provisions (1,544,528) (73,021) Other non-current liabilities 7,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087	Net loss (gain) on disposal of investments		35,005	-
Changes in operating assets and liabilities: Net changes in operating assets: Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets (63,014) - Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,183) (1,140) Other payables and other current liabilities (1,24,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities (1,0116,058) (21,383,087) Total changes in operating assets and liabilities (1,0116,058) (21,383,087)			3,696	18,693
Changes in operating assets and liabilities: Net changes in operating assets: Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets (63,014) - Net changes in operating liabilities (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,183) (1,140) Other payables and other current liabilities (1,554,528) (737,021) Provisions (1,554,528) (737,021) Other non-current liabilities (1,0116,058) (21,383,087) Total changes in operating assets and liabili	Total profit and loss			
Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets 6012,250 4,070,538 Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,244,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities (1,016,058) (21,383,087) Total changes in operating liabilities (1,016,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) <				_
Derivative financial instruments at fair value through profit or loss (107,510) 1,740,751 Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets 6012,250 4,070,538 Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,244,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities (1,016,058) (21,383,087) Total changes in operating liabilities (1,016,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) <	Net changes in operating assets:			
Contract assets (116,890) - Notes and accounts receivable 6,394,657 5,266,756 Receivables from related parties 67,755 19,414 Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets (63,014) - Net changes in operating liabilities (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (2,803,656) (17,002,079) Cash used in operations (2,803,656) (17,002,034) Interest			(107,510)	1,740,751
Receivables from related parties 67,755 19,414 Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets 6,012,250 4,070,538 Net changes in operating liabilities: Total changes in operating liabilities (1,183) (19,049,160) Payables to related parties (1,183) (1,140) (1,424,168) (1,646,521) Provisions (1,524,168) (1,542,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total changes in operating assets and liabilities (2,803,656) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 <td></td> <td></td> <td>(116,890)</td> <td>-</td>			(116,890)	-
Inventories 613,308 (2,699,359) Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating assets 6,012,250 4,070,538 Net changes in operating liabilities: Total accounts payable (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Notes and accounts receivable		6,394,657	5,266,756
Other receivables and other current assets (766,171) (257,024) Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating labilities: 6,012,250 4,070,538 Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Receivables from related parties		67,755	19,414
Non-current accounts receivable (9,885) - Other non-current assets (63,014) - Net changes in operating labilities: 6,012,250 4,070,538 Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Inventories		613,308	(2,699,359)
Other non-current assets (63,014) - Net changes in operating labilities: 6,012,250 4,070,538 Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (2,803,656) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Other receivables and other current assets		(766,171)	(257,024)
Net changes in operating liabilities: 6,012,250 4,070,538 Net changes in operating liabilities: (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Non-current accounts receivable		(9,885)	-
Net changes in operating liabilities: Notes and accounts payable (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Other non-current assets		(63,014)	
Notes and accounts payable (7,213,882) (19,049,160) Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Net changes in operating assets		6,012,250	4,070,538
Payables to related parties (1,183) (1,140) Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Net changes in operating liabilities:			
Other payables and other current liabilities (1,424,168) (1,646,521) Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Notes and accounts payable		(7,213,882)	(19,049,160)
Provisions (1,554,528) (737,021) Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Payables to related parties		(1,183)	(1,140)
Other non-current liabilities 77,703 50,755 Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Other payables and other current liabilities		(1,424,168)	(1,646,521)
Total changes in operating liabilities (10,116,058) (21,383,087) Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Provisions		(1,554,528)	(737,021)
Total changes in operating assets and liabilities (4,103,808) (17,312,549) Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Other non-current liabilities		77,703	50,755
Total adjustments (3,827,913) (17,012,079) Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Total changes in operating liabilities		(10,116,058)	(21,383,087)
Cash used in operations (2,803,656) (17,069,234) Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Total changes in operating assets and liabilities		(4,103,808)	(17,312,549)
Interest received 68,535 44,587 Income taxes paid (150,210) (33,015)	Total adjustments		(3,827,913)	(17,012,079)
Income taxes paid (150,210) (33,015)	Cash used in operations		$(2,80\overline{3,656})$	$(17,\overline{069,234})$
<u> </u>	Interest received		68,535	44,587
Net cash used in operating activities (2,885,331) (17,057,662)	Income taxes paid		(150,210)	(33,015)
	Net cash used in operating activities		(2,885,331)	(17,057,662)

(Continued)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese) Reviewed only, not audited in accordance with generally accepted auditing standards

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	For the three month	s ended March 31
	2018	2017
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive		
income	(86,605)	-
Proceeds from disposal of financial assets	71,651	-
Decrease in advances to related parties	-	3,936
Acquisition of investments accounted for using equity method	(3,052)	(233,435)
Proceeds from disposal of non-current assets classified as held for sale	163,974	-
Additions to property, plant and equipment	(56,351)	(44,541)
Proceeds from disposal of property, plant and equipment	3,240	868
Additions to intangible assets	(11,048)	(1,824)
Net cash paid for acquisition of subsidiaries	(862)	-
Decrease (increase) in other non-current financial assets	11,684	(2,945)
Net cash flows from (used in) investing activities	92,631	(277,941)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(368,546)	3,874,601
Repayment of long-term debt	(900,089)	-
Interest paid	(45,342)	(42,296)
Exercise of stock option from employees of subsidiaries	31,053	
Net cash flows from (used in) financing activities	(1,282,924)	3,832,305
Effect of foreign exchange rate changes	(512,443)	(2,005,684)
Net decrease in cash and cash equivalents	(4,588,067)	(15,508,982)
Cash and cash equivalents at beginning of period	33,970,331	44,289,673
Cash and cash equivalents at end of period	\$ <u>29,382,264</u>	28,780,691