

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with generally accepted auditing standards as of  
March 31, 2021 and 2020

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**March 31, 2021, December 31, 2020, and March 31, 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	March 31, 2021		December 31, 2020		March 31, 2020		
	Amount	%	Amount	%	Amount	%	
<b>Assets</b>							
<b>Current assets:</b>							
1100	Cash and cash equivalents	\$ 34,102,856	19	39,181,023	21	28,209,080	20
1110	Financial assets measured at fair value through profit or loss—current	6,561,581	4	5,841,103	3	2,176,142	2
1120	Financial assets measured at fair value through other comprehensive income—current	122,915	-	98,818	-	76,868	-
1140	Contract assets—current	487,689	-	514,369	-	405,979	-
1170	Notes and accounts receivable, net	50,928,311	28	55,170,110	30	39,532,953	28
1180	Accounts receivable from related parties	131,413	-	27,419	-	79,131	-
1200	Other receivables	503,892	-	548,016	-	527,927	-
1220	Current income tax assets	341,995	-	365,493	-	320,085	-
130X	Inventories	50,444,330	27	42,983,432	24	34,089,573	24
1470	Other current assets	3,894,561	2	4,006,693	3	3,684,231	2
	<b>Total current assets</b>	147,519,543	80	148,736,476	81	109,101,969	76
<b>Non-current assets:</b>							
1517	Financial assets measured at fair value through other comprehensive income—non-current	6,821,030	4	6,109,592	3	4,335,765	3
1550	Investments accounted for using the equity method	1,043,117	1	1,008,312	1	981,808	1
1600	Property, plant and equipment	3,873,566	2	3,865,909	2	3,498,312	2
1755	Right-of-use assets	1,973,310	1	1,857,520	1	2,130,239	2
1760	Investment property	748,382	-	749,843	-	1,127,392	1
1780	Intangible assets	16,277,852	9	16,292,729	9	16,963,961	12
1840	Deferred income tax assets	2,467,980	1	2,480,776	1	1,504,877	1
1900	Other non-current assets	1,751,755	1	1,748,559	1	1,879,296	1
1980	Other financial assets—non-current	1,044,987	1	1,058,956	1	1,145,371	1
	<b>Total non-current assets</b>	36,001,979	20	35,172,196	19	33,567,021	24
	<b>Total assets</b>	<b>\$ 183,521,522</b>	<b>100</b>	<b>183,908,672</b>	<b>100</b>	<b>142,668,990</b>	<b>100</b>

(Continued)

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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Balance Sheets (Continued)**

**March 31, 2021, December 31, 2020, and March 31, 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	March 31, 2021		December 31, 2020		March 31, 2020		
	Amount	%	Amount	%	Amount	%	
<b>Liabilities and Equity</b>							
<b>Current liabilities:</b>							
2100	\$ 500,208	-	1,029,117	1	6,468,986	5	
2120	Financial liabilities measured at fair value through profit or loss—current	362,958	-	1,526,494	1	148,794	-
2130	Contract liabilities—current	2,223,406	1	2,269,409	1	1,715,529	1
2170	Notes and accounts payable	44,525,650	24	49,405,634	27	23,732,343	17
2200	Other payables	36,042,356	20	29,810,924	16	24,898,802	17
2230	Current tax liabilities	4,165,983	3	3,371,032	2	1,348,728	1
2250	Provisions—current	6,068,931	4	5,948,144	3	4,756,530	3
2280	Lease liabilities—current	612,758	-	602,656	-	642,667	-
2322	Current portion of long-term debt	23,528	-	18,113	-	12,592	-
2365	Refund liabilities—current	14,742,882	8	15,074,621	8	10,847,246	8
2399	Other current liabilities	2,385,786	1	1,664,174	1	1,509,920	1
	<b>Total current liabilities</b>	<u>111,654,446</u>	<u>61</u>	<u>110,720,318</u>	<u>60</u>	<u>76,082,137</u>	<u>53</u>
<b>Non-current liabilities:</b>							
2527	Contract liabilities—non-current	901,568	-	827,783	-	666,966	1
2540	Long-term debt	3,417,065	2	3,395,102	2	3,342,632	2
2550	Provisions—non-current	28,324	-	33,121	-	31,940	-
2570	Deferred income tax liabilities	3,552,721	2	3,555,113	2	2,535,390	2
2580	Lease liabilities—non-current	1,449,891	1	1,353,697	1	1,587,531	1
2600	Other non-current liabilities	2,022,538	1	2,081,574	1	1,994,857	1
	<b>Total non-current liabilities</b>	<u>11,372,107</u>	<u>6</u>	<u>11,246,390</u>	<u>6</u>	<u>10,159,316</u>	<u>7</u>
	<b>Total liabilities</b>	<u>123,026,553</u>	<u>67</u>	<u>121,966,708</u>	<u>66</u>	<u>86,241,453</u>	<u>60</u>
<b>Equity:</b>							
3110	Common stock	30,478,538	17	30,478,538	17	30,749,338	22
3200	Capital surplus	27,421,817	15	27,378,068	15	28,176,226	20
Retained earnings:							
3310	Legal reserve	853,852	1	853,852	1	587,602	-
3320	Special reserve	3,976,265	2	3,976,265	2	2,940,572	2
3350	Unappropriated retained earnings	4,209,420	2	6,038,916	3	1,873,070	1
3400	Other equity	(5,461,997)	(3)	(5,517,452)	(3)	(5,952,057)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)	(3,276,799)	(2)
	<b>Equity attributable to shareholders of the Parent</b>	<u>58,563,039</u>	<u>32</u>	<u>60,293,331</u>	<u>33</u>	<u>55,097,952</u>	<u>39</u>
36XX	<b>Non-controlling interests</b>	<u>1,931,930</u>	<u>1</u>	<u>1,648,633</u>	<u>1</u>	<u>1,329,585</u>	<u>1</u>
	<b>Total equity</b>	<u>60,494,969</u>	<u>33</u>	<u>61,941,964</u>	<u>34</u>	<u>56,427,537</u>	<u>40</u>
	<b>Total liabilities and equity</b>	<u>\$ 183,521,522</u>	<u>100</u>	<u>183,908,672</u>	<u>100</u>	<u>142,668,990</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended March 31, 2021 and 2020**

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

		For the three months ended March 31			
		2021		2020	
		Amount	%	Amount	%
4000	Net revenue	\$ 71,555,463	100	48,854,503	100
5000	Cost of revenue	<u>(63,243,605)</u>	<u>(88)</u>	<u>(43,903,140)</u>	<u>(90)</u>
	Gross profit	<u>8,311,858</u>	<u>12</u>	<u>4,951,363</u>	<u>10</u>
	<b>Operating expenses :</b>				
6100	Selling expenses	(3,707,885)	(5)	(3,318,902)	(7)
6200	General and administrative expenses	(1,179,371)	(2)	(1,044,376)	(2)
6300	Research and development expenses	<u>(648,054)</u>	<u>(1)</u>	<u>(592,351)</u>	<u>(1)</u>
	Total operating expenses	<u>(5,535,310)</u>	<u>(8)</u>	<u>(4,955,629)</u>	<u>(10)</u>
6500	Other operating income and expenses, net	<u>29,721</u>	<u>-</u>	<u>23,269</u>	<u>-</u>
	Operating income	<u>2,806,269</u>	<u>4</u>	<u>19,003</u>	<u>-</u>
	<b>Non-operating income and loss:</b>				
7100	Interest income	78,881	-	91,834	-
7020	Other gains and losses	936,344	1	700,490	2
7050	Finance costs	(40,444)	-	(44,610)	-
7060	Share of profits (losses) of associates and joint ventures	<u>(5,539)</u>	<u>-</u>	<u>13,645</u>	<u>-</u>
	Total non-operating income and loss	<u>969,242</u>	<u>1</u>	<u>761,359</u>	<u>2</u>
7900	Income before taxes	3,775,511	5	780,362	2
7950	Income tax expense	<u>(977,953)</u>	<u>(1)</u>	<u>(228,579)</u>	<u>(1)</u>
	Net income	<u>2,797,558</u>	<u>4</u>	<u>551,783</u>	<u>1</u>
	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	736,351	1	(836,193)	(2)
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>736,368</u>	<u>1</u>	<u>(836,151)</u>	<u>(2)</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	(650,992)	(1)	(794,003)	(1)
8370	Share of other comprehensive losses of associates	(159)	-	(1,278)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(651,151)</u>	<u>(1)</u>	<u>(795,281)</u>	<u>(1)</u>
	Other comprehensive income (loss), net of taxes	<u>85,217</u>	<u>-</u>	<u>(1,631,432)</u>	<u>(3)</u>
	Total comprehensive income for the period	<u>\$ 2,882,775</u>	<u>4</u>	<u>(1,079,649)</u>	<u>(2)</u>
	<b>Net income (loss) attributable to:</b>				
8610	Shareholders of the Parent	\$ 2,743,006	4	557,959	1
8620	Non-controlling interests	<u>54,552</u>	<u>-</u>	<u>(6,176)</u>	<u>-</u>
		<u>\$ 2,797,558</u>	<u>4</u>	<u>551,783</u>	<u>1</u>
	<b>Total comprehensive income (loss) attributable to:</b>				
8710	Shareholders of the Parent	\$ 2,801,549	4	(1,051,871)	(2)
8720	Non-controlling interests	<u>81,226</u>	<u>-</u>	<u>(27,778)</u>	<u>-</u>
		<u>\$ 2,882,775</u>	<u>4</u>	<u>(1,079,649)</u>	<u>(2)</u>
	<b>Earnings per share (in New Taiwan dollars) :</b>				
9750	Basic earnings per share	<u>\$ 0.91</u>		<u>0.18</u>	
9850	Diluted earnings per share	<u>\$ 0.91</u>		<u>0.18</u>	

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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**  
**For the three months ended March 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
<b>Balance at January 1, 2020</b>	\$ 30,749,538	28,152,962	587,602	2,940,572	2,668,082	6,196,256	(4,187,394)	133,070	(287,902)	(4,342,227)	(2,914,856)	57,841,473	1,353,766	59,195,239
Net income for the period	-	-	-	-	557,959	557,959	-	-	-	-	-	557,959	(6,176)	551,783
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(773,654)	(836,193)	17	(1,609,830)	-	(1,609,830)	(21,602)	(1,631,432)
Total comprehensive income (loss) for the period	-	-	-	-	557,959	557,959	(773,654)	(836,193)	17	(1,609,830)	-	(1,609,830)	(21,602)	(1,631,432)
Appropriation approved by the stockholders:														
Cash dividends	-	-	-	-	(1,352,971)	(1,352,971)	-	-	-	-	-	(1,352,971)	-	(1,352,971)
Share of changes in equity of associates	-	23,212	-	-	-	-	-	-	-	-	(361,943)	23,212	-	23,212
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	-	(361,943)	-	(361,943)
Difference between consideration and carrying amount of subsidiaries disposed	-	-	-	-	-	-	-	-	-	-	-	52	-	52
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	29,879	29,879
<b>Balance at March 31, 2020</b>	\$ 30,749,538	28,176,226	587,602	2,940,572	1,873,070	5,401,244	(4,961,048)	(703,123)	(287,886)	(5,952,057)	(3,276,799)	55,097,952	1,329,585	56,427,537
<b>Balance at January 1, 2021</b>	\$ 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 period	-	-	-	-	2,743,006	2,743,006	(647,300)	705,836	7	58,543	-	2,743,006	54,552	2,797,558
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(647,300)	-	-	-	-	58,543	26,674	85,217
Total comprehensive income (loss) for the period	-	-	-	-	2,743,006	2,743,006	(647,300)	705,836	7	58,543	-	2,801,549	81,226	2,882,775
Appropriation approved by the stockholders:														
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)	-	(4,571,781)
Share of changes in equity of associates	-	83	-	-	-	-	-	-	-	-	-	83	-	83
Changes in ownership interests in subsidiaries	-	42,995	-	-	-	-	(23)	(6,544)	2,758	(3,809)	-	39,186	(39,186)	-
Disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	2,500	2,500
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(330)	-	-	-	-	-	-	-	-	-	(330)	-	-
Stock option compensation cost of subsidiaries	-	1,001	-	-	-	-	-	-	-	-	-	1,001	698	1,699
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	240,491	240,491
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	(721)	(721)	-	721	-	-	-	-	(22,762)	(22,762)
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	\$ 30,478,538	27,421,817	853,852	3,976,265	4,209,420	9,029,537	(6,690,850)	1,468,675	(240,122)	(5,461,997)	(2,914,856)	58,563,039	1,931,930	60,494,969

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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2021	2020
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 3,775,511	780,362
<b>Adjustments for:</b>		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation	266,901	268,034
Amortization	53,870	48,769
Net (gain) loss on financial assets measured at fair value through profit or loss	(9,699)	963
Interest expense	40,444	44,610
Interest income	(78,881)	(91,834)
Share-based compensation cost	1,699	-
Share of (profits) losses of associates and joint ventures	5,539	(13,645)
Loss (Gain) on disposal of equipment	1,720	(4,018)
Unrealized foreign exchange gain	-	(42,558)
<b>Total adjustments for profit or loss</b>	281,593	210,321
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Derivative financial instruments measured at fair value through profit or loss	(1,906,918)	(1,486,600)
Contract assets	26,680	14,903
Notes and accounts receivable	4,266,325	9,875,216
Receivables from related parties	(103,994)	(37,930)
Inventories	(7,461,855)	6,944,440
Other receivables and other current assets	159,816	758,263
Other non-current assets	(2,484)	10,423
<b>Changes in operating assets</b>	(5,022,430)	16,078,715
<b>Changes in operating liabilities:</b>		
Contract liabilities	27,782	(112,448)
Notes and accounts payable	(4,879,984)	(11,491,471)
Other payables and other current liabilities	2,360,785	(1,189,423)
Provisions	115,990	(197,606)
Refund liabilities	(331,739)	(1,593,954)
Other non-current liabilities	(59,036)	30,962
<b>Changes in operating liabilities</b>	(2,766,202)	(14,553,940)
Cash provided by (used in) operations	(3,731,528)	2,515,458
Interest received	77,821	84,604
Income taxes paid	(155,492)	(11,117)
<b>Net cash flows provided by (used in) operating activities</b>	(3,809,199)	2,588,945

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**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the three months ended March 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets measured at fair value through other comprehensive income	(1,800)	-
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	209	-
Proceeds from capital return of financial assets measured at fair value through other comprehensive income	2,791	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	-	267,856
Acquisition of investments accounted for using the equity method	(64,383)	-
Additions to property, plant and equipment and investment property	(123,520)	(98,842)
Proceeds from disposal of property, plant and equipment and intangible assets	975	58,314
Additions to intangible assets	(75,410)	(63,509)
Decrease (increase) in other non current financial assets	(10,557)	2,331
Dividends received	24,000	-
<b>Net cash flows provided by (used in) investing activities</b>	<b>(247,695)</b>	<b>166,150</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	491,109	5,304,983
Decrease in short-term borrowings	(1,019,086)	(289,965)
Increase in long-term debt	32,908	15,500
Repayment of long-term debt	(4,524)	(2,502,460)
Payment of lease liabilities	(188,084)	(142,997)
Purchase of treasury stock	-	(361,943)
Cash dividends paid to non-controlling interests by subsidiaries	(3,258)	-
Issuance of common stock by subsidiaries not subscribed by the Group	260,491	-
Proceeds from disposal of interests in subsidiaries (without losing control)	-	29,931
Interest paid	(39,470)	(38,547)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(469,914)</b>	<b>2,014,502</b>
<b>Effect of foreign exchange rate changes</b>	<b>(551,359)</b>	<b>(744,849)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,078,167)</b>	<b>4,024,748</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>39,181,023</b>	<b>24,184,332</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 34,102,856</b>	<b>28,209,080</b>