

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

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**June 30, 2024, December 31, 2023, and June 30, 2023**

(Expressed in Thousands of New Taiwan Dollars)

	<b>June 30, 2024</b>		<b>December 31, 2023</b>		<b>June 30, 2023</b>		
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
<b>Assets</b>							
<b>Current assets:</b>							
1100	Cash and cash equivalents	\$ 45,415,066	19	48,134,128	23	47,951,358	23
1110	Financial assets measured at fair value through profit or loss — current	532,943	-	140,558	-	347,642	-
1137	Financial assets measured at amortized cost — current	710,079	-	461,025	-	-	-
1140	Contract assets — current	863,590	-	701,205	-	838,036	-
1170	Notes and accounts receivable, net	62,903,280	26	52,194,191	25	55,674,683	27
1180	Accounts receivable from related parties	111,473	-	114,041	-	59,406	-
1200	Other receivables	1,687,857	1	981,335	-	820,498	1
1220	Current income tax assets	477,765	-	348,843	-	330,842	-
130X	Inventories	54,824,719	23	43,553,072	22	43,002,670	21
1476	Other financial assets — current	6,624,234	4	6,885,203	3	3,031,033	1
1479	Other current assets	3,949,740	2	4,052,437	2	4,148,219	2
	<b>Total current assets</b>	<b>178,100,746</b>	<b>75</b>	<b>157,566,038</b>	<b>75</b>	<b>156,204,387</b>	<b>75</b>
<b>Non-current assets:</b>							
1517	Financial assets measured at fair value through other comprehensive income — non-current	10,882,449	5	11,901,429	6	13,810,014	7
1535	Financial assets measured at amortized cost — non-current	6,410,914	3	4,214,559	2	2,108,838	1
1550	Investments accounted for using the equity method	5,153,564	2	1,391,943	1	983,582	1
1600	Property, plant and equipment	8,393,812	3	4,423,825	2	4,364,734	2
1755	Right-of-use assets	2,131,629	1	1,924,650	1	2,148,454	1
1760	Investment property	856,435	-	861,680	-	852,101	-
1780	Intangible assets	19,762,147	8	18,855,332	9	18,894,512	9
1840	Deferred income tax assets	3,926,797	2	3,784,322	2	3,708,813	2
1980	Other financial assets — non-current	1,182,835	-	1,133,805	1	1,145,370	1
1990	Other non-current assets	2,161,611	1	2,676,263	1	2,727,907	1
	<b>Total non-current assets</b>	<b>60,862,193</b>	<b>25</b>	<b>51,167,808</b>	<b>25</b>	<b>50,744,325</b>	<b>25</b>
	<b>Total assets</b>	<b>\$ 238,962,939</b>	<b>100</b>	<b>208,733,846</b>	<b>100</b>	<b>206,948,712</b>	<b>100</b>

(Continued)

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

	June 30, 2024		December 31, 2023		June 30, 2023		
	Amount	%	Amount	%	Amount	%	
<b>Liabilities and Equity</b>							
<b>Current liabilities:</b>							
2100	Short-term borrowings	\$ 1,976,156	1	976,627	-	1,165,610	1
2120	Financial liabilities measured at fair value through profit or loss – current	89,935	-	787,803	-	299,909	-
2130	Contract liabilities – current	3,376,667	1	3,252,251	2	3,387,196	2
2170	Notes and accounts payable	53,374,491	22	44,701,410	21	39,875,643	19
2200	Other payables	42,993,467	18	32,285,437	16	41,414,118	20
2230	Current tax liabilities	3,678,684	2	2,997,993	1	2,888,268	2
2250	Provisions – current	6,748,357	3	6,466,024	3	6,778,858	3
2280	Lease liabilities – current	656,403	-	613,488	-	645,171	-
2322	Current portion of long-term debt	164,488	-	39,518	-	29,307	-
2365	Refund liabilities – current	14,898,088	6	13,968,281	7	14,473,417	7
2399	Other current liabilities	<u>1,636,995</u>	<u>1</u>	<u>1,120,719</u>	<u>1</u>	<u>1,592,135</u>	<u>1</u>
	<b>Total current liabilities</b>	<u>129,593,731</u>	<u>54</u>	<u>107,209,551</u>	<u>51</u>	<u>112,549,632</u>	<u>55</u>
<b>Non-current liabilities:</b>							
2527	Contract liabilities – non-current	812,293	-	712,983	-	762,651	-
2531	Bonds payable	15,000,000	6	10,000,000	5	10,000,000	5
2540	Long-term debt	4,155,364	2	1,565,035	1	81,826	-
2550	Provisions – non-current	41,131	-	14,232	-	8,352	-
2570	Deferred income tax liabilities	5,736,200	2	5,718,682	3	5,006,523	2
2580	Lease liabilities – non-current	1,583,376	1	1,486,249	1	1,650,417	1
2600	Other non-current liabilities	<u>1,703,224</u>	<u>1</u>	<u>1,685,049</u>	<u>1</u>	<u>1,639,632</u>	<u>1</u>
	<b>Total non-current liabilities</b>	<u>29,031,588</u>	<u>12</u>	<u>21,182,230</u>	<u>11</u>	<u>19,149,401</u>	<u>9</u>
	<b>Total liabilities</b>	<u>158,625,319</u>	<u>66</u>	<u>128,391,781</u>	<u>62</u>	<u>131,699,033</u>	<u>64</u>
<b>Equity :</b>							
3110	Common stock	30,478,538	13	30,478,538	15	30,478,538	15
3200	Capital surplus	27,861,925	12	27,805,176	13	27,845,056	13
3300	Retained earnings	16,622,931	7	18,490,986	9	12,244,160	6
3400	Other equity	2,650,230	1	664,598	-	2,892,531	1
3500	Treasury stock	<u>(2,712,774)</u>	<u>(1)</u>	<u>(2,712,774)</u>	<u>(1)</u>	<u>(2,914,856)</u>	<u>(1)</u>
	<b>Equity attributable to shareholders of the Parent</b>	<u>74,900,850</u>	<u>32</u>	<u>74,726,524</u>	<u>36</u>	<u>70,545,429</u>	<u>34</u>
36XX	<b>Non-controlling interests</b>	<u>5,436,770</u>	<u>2</u>	<u>5,615,541</u>	<u>2</u>	<u>4,704,250</u>	<u>2</u>
	<b>Total equity</b>	<u>80,337,620</u>	<u>34</u>	<u>80,342,065</u>	<u>38</u>	<u>75,249,679</u>	<u>36</u>
	<b>Total liabilities and equity</b>	<u>\$ 238,962,939</u>	<u>100</u>	<u>208,733,846</u>	<u>100</u>	<u>206,948,712</u>	<u>100</u>

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

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended June 30, 2024 and 2023, and six months ended June 30, 2024 and 2023**

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

	For the three months ended June 30				For the six months ended June 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Net revenue</b>	\$ 67,138,026	100	58,260,653	100	125,970,250	100	110,717,685	100
5000	<b>Cost of revenue</b>	(59,959,687)	(89)	(52,005,259)	(89)	(112,596,114)	(89)	(99,099,400)	(90)
	<b>Gross profit</b>	7,178,339	11	6,255,394	11	13,374,136	11	11,618,285	10
	<b>Operating expenses :</b>								
6100	Selling expenses	(3,669,473)	(5)	(3,493,771)	(6)	(7,131,842)	(6)	(6,932,813)	(6)
6200	General and administrative expenses	(1,499,995)	(2)	(1,302,317)	(2)	(2,920,884)	(2)	(2,506,144)	(2)
6300	Research and development expenses	(566,721)	(1)	(425,004)	(1)	(1,111,526)	(1)	(920,523)	(1)
	<b>Total operating expenses</b>	(5,736,189)	(8)	(5,221,092)	(9)	(11,164,252)	(9)	(10,359,480)	(9)
6500	<b>Other operating income and expenses, net</b>	25,714	-	11,837	-	38,969	-	25,863	-
	<b>Operating income</b>	1,467,864	3	1,046,139	2	2,248,853	2	1,284,668	1
	<b>Non-operating income and loss:</b>								
7100	Interest income	553,862	1	482,091	1	1,102,059	1	815,478	1
7010	Other income	83,603	-	86,765	-	83,603	-	86,765	-
7020	Other gains and losses	310,924	-	678,891	1	1,168,026	1	1,123,317	1
7050	Finance costs	(207,130)	-	(64,462)	-	(289,507)	-	(125,015)	-
7060	Share of profits (losses) of associates and joint ventures	27,597	-	(8,949)	-	40,526	-	(22,375)	-
	<b>Total non-operating income and loss</b>	768,856	1	1,174,336	2	2,104,707	2	1,878,170	2
7900	<b>Income before taxes</b>	2,236,720	4	2,220,475	4	4,353,560	4	3,162,838	3
7950	<b>Income tax expense</b>	(617,457)	(1)	(625,218)	(1)	(1,356,561)	(1)	(906,676)	(1)
	<b>Net income</b>	1,619,263	3	1,595,257	3	2,996,999	3	2,256,162	2
	<b>Other comprehensive (loss) income :</b>								
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>								
8311	Remeasurements of defined benefit plans	-	-	212	-	-	-	(7,035)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(1,040,431)	(2)	4,702,702	8	(437,275)	-	6,186,269	6
8320	Share of other comprehensive income of associates	-	-	-	-	43	-	2	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	(43)	-	-	-	-	-
	<b>Total items that will not be reclassified to profit or loss</b>	(1,040,431)	(2)	4,702,871	8	(437,232)	-	6,179,236	6
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of foreign operations	759,292	1	1,240,583	2	2,864,062	2	1,022,308	1
8370	Share of other comprehensive gains of associates	11,744	-	499	-	12,022	-	689	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	771,036	1	1,241,082	2	2,876,084	2	1,022,997	1
	<b>Other comprehensive (loss) income, net of taxes</b>	(269,395)	(1)	5,943,953	10	2,438,852	2	7,202,233	7
	<b>Total comprehensive income</b>	\$ <u>1,349,868</u>	<u>2</u>	<u>7,539,210</u>	<u>13</u>	<u>5,435,851</u>	<u>5</u>	<u>9,458,395</u>	<u>9</u>
	<b>Net income attributable to:</b>								
8610	Shareholders of the Parent	\$ 1,403,585	3	1,392,137	3	2,606,061	3	1,907,303	2
8620	Non-controlling interests	215,678	-	203,120	-	390,938	-	348,859	-
		\$ <u>1,619,263</u>	<u>3</u>	<u>1,595,257</u>	<u>3</u>	<u>2,996,999</u>	<u>3</u>	<u>2,256,162</u>	<u>2</u>
	<b>Total comprehensive income attributable to:</b>								
8710	Shareholders of the Parent	\$ 1,109,403	2	7,335,363	13	4,994,171	5	9,120,368	9
8720	Non-controlling interests	240,465	-	203,847	-	441,680	-	338,027	-
		\$ <u>1,349,868</u>	<u>2</u>	<u>7,539,210</u>	<u>13</u>	<u>5,435,851</u>	<u>5</u>	<u>9,458,395</u>	<u>9</u>
	<b>Earnings per share (in New Taiwan dollars) :</b>								
9750	Basic earnings per share	\$ <u>0.47</u>		<u>0.46</u>		<u>0.87</u>		<u>0.64</u>	
9850	Diluted earnings per share	\$ <u>0.47</u>		<u>0.46</u>		<u>0.86</u>		<u>0.63</u>	

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

## ACER INCORPORATED AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent													
	Retained earnings					Other equity					Total equity attributable to shareholders of the parent	Non-controlling interests	Total 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
<b>Balance at January 1, 2023</b>	\$ 30,478,538	27,795,883	2,515,341	7,398,192	4,983,612	14,897,145	(4,219,903)	(409,726)	320,376	(4,309,253)	(2,914,856)	65,947,457	4,486,738	70,434,195
Net income for the period	-	-	-	-	1,907,303	1,907,303	-	-	-	-	-	1,907,303	348,859	2,256,162
Other comprehensive income (loss) for the period	-	-	-	-	-	-	1,033,624	6,186,475	(7,034)	7,213,065	-	7,213,065	(10,832)	7,202,233
Total comprehensive income (loss) for the period	-	-	-	-	1,907,303	1,907,303	1,033,624	6,186,475	(7,034)	7,213,065	-	9,120,368	338,027	9,458,395
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	495,986	-	(495,986)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(84,251)	84,251	-	-	-	-	-	-	-	-	-
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
Change in ownership interests in subsidiaries	-	5,662	-	-	-	-	334	72	(194)	212	-	5,874	(5,874)	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(28,613)	(28,613)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(28,795)	-	-	-	-	-	-	-	-	-	(28,795)	28,795	-
Stock option compensation cost of subsidiaries	-	2,187	-	-	-	-	-	-	-	-	-	2,187	1,467	3,654
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	220,553	220,553
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	93,060	93,060
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(429,903)	(429,903)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	11,493	11,493	-	(11,493)	-	(11,493)	-	-	-	-
<b>Balance at June 30, 2023</b>	\$ 30,478,538	27,845,056	3,011,327	7,313,941	1,918,892	12,244,160	(3,185,945)	5,765,328	313,148	2,892,531	(2,914,856)	70,545,429	4,704,250	75,249,679
<b>Balance at January 1, 2024</b>	\$ 30,478,538	27,805,176	3,011,327	7,313,941	8,165,718	18,490,986	(3,799,702)	4,170,049	294,251	664,598	(2,712,774)	74,726,524	5,615,541	80,342,065
Net income for the period	-	-	-	-	2,606,061	2,606,061	-	-	-	-	-	2,606,061	390,938	2,996,999
Other comprehensive income (loss) for the period	-	-	-	-	-	-	2,831,631	(443,540)	19	2,388,110	-	2,388,110	50,742	2,438,852
Total comprehensive income (loss) for the period	-	-	-	-	2,606,061	2,606,061	2,831,631	(443,540)	19	2,388,110	-	4,994,171	441,680	5,435,851
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	816,562	-	(816,562)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,876,566)	(4,876,566)	-	-	-	-	-	(4,876,566)	-	(4,876,566)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	66,634	-	-	-	-	-	-	-	-	-	66,634	-	66,634
Share of changes in equity of associates	-	11,547	-	-	-	-	-	-	-	-	-	11,547	7,630	19,177
Changes in ownership interests in subsidiaries	-	3,441	-	-	-	-	74	(30)	(72)	(28)	-	3,413	(3,413)	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(163,647)	(163,647)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(26,977)	-	-	-	-	-	-	-	-	-	(26,977)	26,977	-
Organizational restructuring under common control	-	4	-	-	-	-	-	-	-	-	-	4	(4)	-
Stock option compensation cost of subsidiaries	-	2,100	-	-	-	-	-	-	-	-	-	2,100	2,900	5,000
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	4,969	4,969
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	31,792	31,792
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(527,655)	(527,655)
Disposal of financial assets measured at fair value through other comprehensive income by the Company	-	-	-	-	401,383	401,383	-	(401,383)	-	(401,383)	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	1,067	1,067	-	(1,067)	-	(1,067)	-	-	-	-
<b>Balance at June 30, 2024</b>	\$ 30,478,538	27,861,925	3,827,889	7,313,941	5,481,101	16,622,931	(967,997)	3,324,029	294,198	2,650,230	(2,712,774)	74,900,850	5,436,770	80,337,620

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

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the six months ended June 30, 2024 and 2023**

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

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 4,353,560	3,162,838
<b>Adjustments for:</b>		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation	604,283	558,312
Amortization	401,574	264,407
Net loss on financial assets measured at fair value through profit or loss	238	6,332
Effects of exchange rate changes on financial assets measured at amortized cost	(160,091)	(43,859)
Interest expense	289,507	125,015
Interest income	(1,102,059)	(815,478)
Dividend income	(83,603)	(86,765)
Share-based compensation cost	5,000	3,654
Share of (profits) losses of associates and joint ventures	(40,526)	22,375
Gain on disposal of equipment and intangible assets	(11,770)	(1,664)
Impairment loss on non-financial assets	-	1
<b>Total adjustments for profit or loss</b>	<u>(97,447)</u>	<u>32,330</u>
<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	(1,066,552)	(824,451)
Contract assets	(162,385)	(284,414)
Notes and accounts receivable	(10,700,982)	(4,244,209)
Receivables from related parties	2,568	(17,585)
Inventories	(11,300,674)	(790,606)
Other receivables and other current assets	138,696	(750,437)
Other non-current assets	13,672	42,438
<b>Changes in operating assets</b>	<u>(23,075,657)</u>	<u>(6,869,264)</u>
<b>Changes in operating liabilities:</b>		
Contract liabilities	223,726	256,703
Notes and accounts payable	8,672,748	8,221,717
Other payables and other current liabilities	5,635,372	1,333,425
Provisions	299,195	(147,648)
Refund liabilities	929,807	(248,858)
Other non-current liabilities	18,176	25,621
<b>Changes in operating liabilities</b>	<u>15,779,024</u>	<u>9,440,960</u>
Cash (used in) provided by operations	(3,040,520)	5,766,864
Interest received	941,102	707,047
Income taxes paid	(367,637)	(1,494,485)
<b>Net cash flows (used in) provided by operating activities</b>	<u>(2,467,055)</u>	<u>4,979,426</u>

(Continued)

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

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the six months ended June 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at fair value through other comprehensive income	(318,110)	(23,316)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	18,833	-
Acquisition of financial assets measured at amortized cost	(2,718,940)	(1,261,347)
Proceeds from repayments of financial assets at amortised cost	442,000	-
Acquisition of financial assets measured at fair value through profit or loss	-	(74,724)
Proceeds from disposal of financial assets measured at fair value through profit or loss	729	775,088
Acquisition of investments accounted for using the equity method	(2,839,811)	-
Acquisition of property, plant and equipment	(4,161,742)	(237,166)
Proceeds from disposal of property, plant and equipment	43,127	3,724
Increase in other receivables	(453,988)	-
Acquisition of intangible assets	(281,942)	(181,646)
Payment of contingent consideration arising from business combination or investment in associates	(20,625)	(9,939)
Net cash (outflow) inflow from acquisition of subsidiaries	(60,115)	209,244
Increase in assets recognized from costs to fulfill contracts with customers	(210,297)	(237,324)
Decrease (increase) in other financial assets	214,519	(2,747,994)
Dividends received	-	122,765
<b>Net cash flows used in investing activities</b>	<b>(10,346,362)</b>	<b>(3,662,635)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	2,189,322	2,226,759
Decrease in short-term borrowings	(1,211,386)	(2,750,420)
Proceeds from issuing bonds	5,000,000	-
Increase in long-term debt	2,719,612	-
Repayment of long-term debt	(7,615)	(59,800)
Payment of lease liabilities	(374,701)	(364,209)
Cash dividends paid to non-controlling interests by subsidiaries	-	(54,298)
Issuance of common stock by subsidiaries not subscribed by the Group	31,792	97,213
Acquisition of interests in subsidiaries	(163,647)	(28,613)
Interest paid	(166,295)	(126,596)
<b>Net cash flows provided by (used in) financing activities</b>	<b>8,017,082</b>	<b>(1,059,964)</b>
<b>Effect of foreign exchange rate changes</b>	<b>2,077,273</b>	<b>851,629</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(2,719,062)</b>	<b>1,108,456</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>48,134,128</b>	<b>46,842,902</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 45,415,066</b>	<b>47,951,358</b>