

**(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**  
**June 30, 2018 and 2017**

**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**June 30, 2018, December 31, 2017, and June 30, 2017**

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

	<b>June 30, 2018</b>		<b>December 31, 2017</b>		<b>June 30, 2017</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	\$ 30,802,312	20	33,970,331	22	21,116,994	14
1110 Financial assets measured at fair value through profit or loss – current	1,598,877	1	170,803	-	109,055	-
1120 Financial assets measured at fair value through other comprehensive income – current	114,924	-	-	-	-	-
1125 Available-for-sale financial assets – current	-	-	118,329	-	127,024	-
1140 Contract assets – current	253,144	-	-	-	-	-
1147 Investments in debt instrument without an active market – current	-	-	232,466	-	4,565	-
1170 Notes and accounts receivable, net	44,710,544	29	46,761,383	30	42,369,144	29
1180 Accounts receivable from related parties	519	-	126,903	-	84,842	-
1200 Other receivables	695,196	1	1,024,005	1	662,006	-
1220 Current income tax assets	610,877	-	570,537	-	515,971	-
130X Inventories	42,307,910	27	40,079,221	25	47,873,301	32
1460 Non-current assets held for sale, net	-	-	161,990	-	-	-
1470 Other current assets	3,555,665	2	3,078,330	2	3,647,763	3
<b>Total current assets</b>	<b>124,649,968</b>	<b>80</b>	<b>126,294,298</b>	<b>80</b>	<b>116,510,665</b>	<b>78</b>
<b>Non-current assets:</b>						
1510 Financial assets measured at fair value through profit or loss – non-current	262,794	-	-	-	19,584	-
1517 Financial assets measured at fair value through other comprehensive income – non-current	5,252,364	3	-	-	-	-
1523 Available-for-sale financial assets – non-current	-	-	5,252,341	3	5,454,682	4
1546 Investments in debt instrument without an active market – non-current	-	-	308,444	-	206,018	-
1550 Investments accounted for using equity method	381,018	-	569,405	-	566,872	-
1600 Property, plant and equipment	4,006,661	3	4,106,559	3	4,133,638	3
1760 Investment property	1,127,945	1	1,141,199	1	1,173,626	1
1780 Intangible assets	17,345,388	11	17,184,151	11	17,541,753	12
1840 Deferred income tax assets	661,125	-	656,478	-	665,048	-
1900 Other non-current assets	1,220,108	1	1,101,079	1	1,307,872	1
1980 Other financial assets – non-current	1,016,546	1	998,817	1	984,548	1
<b>Total non-current assets</b>	<b>31,273,949</b>	<b>20</b>	<b>31,318,473</b>	<b>20</b>	<b>32,053,641</b>	<b>22</b>
<b>Total assets</b>	<b>\$ 155,923,917</b>	<b>100</b>	<b>157,612,771</b>	<b>100</b>	<b>148,564,306</b>	<b>100</b>

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June 30, 2018 and 2017

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Balance Sheets (Continued)**  
**June 30, 2018, December 31, 2017, and June 30, 2017**  
**(Expressed in Thousands of New Taiwan Dollars)**

		June 30, 2018		December 31, 2017		June 30, 2017	
		Amount	%	Amount	%	Amount	%
<b>Liabilities and Equity</b>							
<b>Current liabilities:</b>							
2100	Short-term borrowings	\$ 94,048	-	482,894	-	1,557,497	1
2120	Financial liabilities measured at fair value through profit or loss – current	39,158	-	621,947	-	1,705,084	1
2170	Notes and accounts payable	41,449,708	27	42,749,799	27	34,907,963	24
2180	Accounts payable to related parties	-	-	1,183	-	2,572	-
2200	Other payables	27,233,269	17	37,219,141	24	37,564,529	25
2250	Provisions – current	5,174,588	3	6,656,001	4	5,836,994	4
2322	Current portion of long-term debt	905,839	1	2,701,958	2	1,800,803	1
2365	Refund liabilities – current	12,788,570	8	-	-	-	-
2399	Other current liabilities	<u>3,390,706</u>	<u>2</u>	<u>2,807,010</u>	<u>2</u>	<u>2,741,795</u>	<u>2</u>
	<b>Total current liabilities</b>	<u>91,075,886</u>	<u>58</u>	<u>93,239,933</u>	<u>59</u>	<u>86,117,237</u>	<u>58</u>
<b>Non-current liabilities:</b>							
2540	Long-term debt	3,318,253	2	3,300,499	2	4,203,344	3
2550	Provisions – non-current	55,182	-	45,692	-	59,465	-
2570	Deferred income tax liabilities	1,176,864	1	1,040,696	1	726,701	1
2600	Other non-current liabilities	<u>2,131,943</u>	<u>2</u>	<u>2,010,545</u>	<u>1</u>	<u>1,973,042</u>	<u>1</u>
	<b>Total non-current liabilities</b>	<u>6,682,242</u>	<u>5</u>	<u>6,397,432</u>	<u>4</u>	<u>6,962,552</u>	<u>5</u>
	<b>Total liabilities</b>	<u>97,758,128</u>	<u>63</u>	<u>99,637,365</u>	<u>63</u>	<u>93,079,789</u>	<u>63</u>
<b>Equity:</b>							
3110	Common stock	30,765,028	20	30,765,028	19	30,767,578	21
3200	Capital surplus	27,841,458	18	29,852,184	19	29,755,585	20
Retained earnings:							
3310	Legal reserve	281,559	-	-	-	-	-
3320	Special reserve	2,534,028	2	-	-	-	-
3351	Unappropriated earnings	1,606,873	1	2,815,587	2	306,561	-
3400	Other equity	(2,737,318)	(2)	(3,198,500)	(2)	(2,433,299)	(2)
3500	Treasury stock	<u>(2,914,856)</u>	<u>(2)</u>	<u>(2,914,856)</u>	<u>(2)</u>	<u>(2,914,856)</u>	<u>(2)</u>
	<b>Equity attributable to shareholders of the Company</b>	<u>57,376,772</u>	<u>37</u>	<u>57,319,443</u>	<u>36</u>	<u>55,481,569</u>	<u>37</u>
36XX	<b>Non-controlling interests</b>	<u>789,017</u>	<u>-</u>	<u>655,963</u>	<u>1</u>	<u>2,948</u>	<u>-</u>
	<b>Total equity</b>	<u>58,165,789</u>	<u>37</u>	<u>57,975,406</u>	<u>37</u>	<u>55,484,517</u>	<u>37</u>
	<b>Total liabilities and equity</b>	<u>\$ 155,923,917</u>	<u>100</u>	<u>157,612,771</u>	<u>100</u>	<u>148,564,306</u>	<u>100</u>

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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income (Loss)**

**For the three months ended June 30, 2018 and 2017, and six months ended June 30, 2018 and 2017**

**(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				
	2018		2017		2018		2017		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Revenue</b>	\$ 58,475,540	100	53,604,474	100	113,279,068	100	109,656,863	100
5000	<b>Cost of revenue</b>	<u>(52,043,190)</u>	<u>(89)</u>	<u>(47,517,857)</u>	<u>(89)</u>	<u>(101,088,705)</u>	<u>(89)</u>	<u>(98,145,644)</u>	<u>(90)</u>
	<b>Gross profit</b>	<u>6,432,350</u>	<u>11</u>	<u>6,086,617</u>	<u>11</u>	<u>12,190,363</u>	<u>11</u>	<u>11,511,219</u>	<u>10</u>
	<b>Operating expenses</b>								
6100	Selling expenses	(3,894,235)	(6)	(3,445,162)	(6)	(7,621,973)	(7)	(6,972,624)	(6)
6200	Administrative expenses	(1,063,566)	(2)	(1,145,317)	(2)	(1,972,590)	(2)	(2,079,486)	(2)
6300	Research and development expenses	<u>(566,238)</u>	<u>(1)</u>	<u>(576,205)</u>	<u>(1)</u>	<u>(1,161,485)</u>	<u>(1)</u>	<u>(1,111,739)</u>	<u>(1)</u>
	<b>Total operating expenses</b>	<u>(5,524,039)</u>	<u>(9)</u>	<u>(5,166,684)</u>	<u>(9)</u>	<u>(10,756,048)</u>	<u>(10)</u>	<u>(10,163,849)</u>	<u>(9)</u>
6500	<b>Other operating income and loss</b>	<u>21,890</u>	<u>-</u>	<u>71,646</u>	<u>-</u>	<u>43,096</u>	<u>-</u>	<u>99,766</u>	<u>-</u>
	<b>Operating income</b>	<u>930,201</u>	<u>2</u>	<u>991,579</u>	<u>2</u>	<u>1,477,411</u>	<u>1</u>	<u>1,447,136</u>	<u>1</u>
	<b>Non-operating income and loss:</b>								
7010	Other income	99,747	-	83,447	-	168,819	-	141,045	-
7020	Other gains and losses — net	251,869	-	(704,956)	(1)	729,339	1	(1,223,645)	(1)
7050	Finance costs	(57,756)	-	(60,734)	-	(109,616)	-	(105,053)	-
7060	Share of profits (losses) of associates and joint ventures	<u>(37,590)</u>	<u>-</u>	<u>(13,672)</u>	<u>-</u>	<u>(55,225)</u>	<u>-</u>	<u>(20,974)</u>	<u>-</u>
	<b>Total non-operating income and loss</b>	<u>256,270</u>	<u>-</u>	<u>(695,915)</u>	<u>(1)</u>	<u>733,317</u>	<u>1</u>	<u>(1,208,627)</u>	<u>(1)</u>
7900	<b>Income before taxes</b>	1,186,471	2	295,664	1	2,210,728	2	238,509	-
7950	<b>Income tax (expense) benefits</b>	<u>(327,585)</u>	<u>(1)</u>	<u>(51,756)</u>	<u>-</u>	<u>(680,192)</u>	<u>(1)</u>	<u>68,004</u>	<u>-</u>
	<b>Net income</b>	<u>858,886</u>	<u>1</u>	<u>243,908</u>	<u>1</u>	<u>1,530,536</u>	<u>1</u>	<u>306,513</u>	<u>-</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	(149,894)	-	-	-	(64,429)	-	-	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-	8,923	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(149,894)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of foreign operation	1,225,618	2	1,118,104	2	499,097	1	(2,002,972)	(2)
8362	Change in fair value of available-for-sale financial assets	-	-	694,215	1	-	-	1,073,545	1
8370	Share of other comprehensive income of associates	1,243	-	718	-	(3,071)	-	350	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	<u>89</u>	<u>-</u>	<u>(121)</u>	<u>-</u>	<u>(3,429)</u>	<u>-</u>	<u>(59)</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>1,226,950</u>	<u>2</u>	<u>1,812,916</u>	<u>3</u>	<u>492,597</u>	<u>1</u>	<u>(929,136)</u>	<u>(1)</u>
	<b>Other comprehensive income (loss), net of taxes</b>	<u>1,077,056</u>	<u>2</u>	<u>1,812,916</u>	<u>3</u>	<u>437,091</u>	<u>1</u>	<u>(929,136)</u>	<u>(1)</u>
	<b>Total comprehensive income (loss) for the period</b>	<u>\$ 1,935,942</u>	<u>3</u>	<u>2,056,824</u>	<u>4</u>	<u>1,967,627</u>	<u>2</u>	<u>(622,623)</u>	<u>(1)</u>
	<b>Net income attributable to:</b>								
8610	Shareholders of the Company	\$ 880,932	1	243,889	1	1,588,962	1	306,561	-
8620	Non-controlling interests	<u>(22,046)</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>(58,426)</u>	<u>-</u>	<u>(48)</u>	<u>-</u>
		<u>\$ 858,886</u>	<u>1</u>	<u>243,908</u>	<u>1</u>	<u>1,530,536</u>	<u>1</u>	<u>306,513</u>	<u>-</u>
	<b>Total comprehensive income (loss) attributable to:</b>								
8710	Shareholders of the Company	\$ 1,963,575	3	2,056,800	4	2,043,029	2	(621,488)	(1)
8720	Non-controlling interests	<u>(27,633)</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>(75,402)</u>	<u>-</u>	<u>(1,135)</u>	<u>-</u>
		<u>\$ 1,935,942</u>	<u>3</u>	<u>2,056,824</u>	<u>4</u>	<u>1,967,627</u>	<u>2</u>	<u>(622,623)</u>	<u>(1)</u>
	<b>Earnings per share (in New Taiwan dollars) :</b>								
9750	Basic earnings per share	<u>\$ 0.29</u>		<u>0.08</u>		<u>0.53</u>		<u>0.10</u>	
9850	Diluted earnings per share	<u>\$ 0.29</u>		<u>0.08</u>		<u>0.52</u>		<u>0.10</u>	

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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the six months ended June 30, 2018 and 2017**

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

	Attributable to shareholders of the Company														Non-controlling interests	Total equity
	Retained earnings						Other equity						Total equity attributable to owners of parent			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Unrealized gain (loss) from available-for-sale financial assets	Remeasurements of defined benefit plans	Unearned compensation cost arising from restricted shares of stock issued to employees	Treasury stock				
<b>Balance at January 1, 2017</b>	\$ 30,807,328	34,743,105	145,190	1,306,709	(4,900,296)	(3,448,397)	(1,061,015)	-	(347,770)	(77,257)	(26,743)	(2,914,856)	57,674,395	4,083	57,678,478	
Net income for the period	-	-	-	-	306,561	306,561	-	-	-	-	-	-	306,561	(48)	306,513	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(2,001,594)	-	1,073,545	-	-	-	(928,049)	(1,087)	(929,136)	
Total comprehensive income (loss) for the period	-	-	-	-	306,561	306,561	(2,001,594)	-	1,073,545	-	-	(928,049)	(621,488)	(1,135)	(622,623)	
Appropriation approved by the stockholders:																
Decrease in legal reserve to offset accumulated deficit	-	-	(145,190)	-	145,190	-	-	-	-	-	-	-	-	-	-	
Decrease in special reserve to offset accumulated deficit	-	-	-	(1,306,709)	1,306,709	-	-	-	-	-	-	-	-	-	-	
Decrease in capital surplus to offset accumulated deficit	-	(3,448,397)	-	-	3,448,397	3,448,397	-	-	-	-	-	-	(1,538,379)	-	(1,538,379)	
Cash distributed from capital surplus	-	(1,538,379)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in equity of investments in associates	-	(40,494)	-	-	-	-	-	-	-	-	-	-	(40,494)	-	(40,494)	
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	7,535	-	7,535	-	7,535	
Retirement of restricted shares of stock issued to employees	(39,750)	39,750	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance at June 30, 2017</b>	\$ 30,767,578	29,755,585	-	-	306,561	306,561	(3,062,609)	-	725,775	(77,257)	(19,208)	(2,914,856)	55,481,569	2,948	55,484,517	
<b>Balance at January 1, 2018</b>	\$ 30,765,028	29,852,184	-	-	2,815,587	2,815,587	(3,202,161)	-	112,035	(96,281)	(12,093)	(2,914,856)	57,319,443	655,963	57,975,406	
Effects of retrospective application	-	-	-	-	(10,694)	(10,694)	-	112,035	(112,035)	-	-	-	(10,694)	-	(10,694)	
Adjusted balance at January 1, 2018	30,765,028	29,852,184	-	-	2,804,893	2,804,893	(3,202,161)	112,035	-	(96,281)	(12,093)	(2,914,856)	57,308,749	655,963	57,964,712	
Net income for the period	-	-	-	-	1,588,962	1,588,962	-	-	-	-	-	-	1,588,962	(58,426)	1,530,536	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	492,734	(47,588)	-	8,921	-	-	454,067	(16,976)	437,091	
Total comprehensive income (loss) for the period	-	-	-	-	1,588,962	1,588,962	492,734	(47,588)	-	8,921	-	454,067	2,043,029	(75,402)	1,967,627	
Appropriation approved by the stockholders:																
Legal reserve	-	-	281,559	-	(281,559)	-	-	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	2,534,028	(2,534,028)	-	-	-	-	-	-	-	-	-	-	
Cash distributed from capital surplus	-	(2,153,552)	-	-	-	-	-	-	-	-	-	-	(2,153,552)	-	(2,153,552)	
Change in equity of investments in associates	-	44,544	-	-	-	-	-	-	-	-	-	-	44,544	(19)	44,525	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	178,880	178,880	
Issuance of common stock from exercise of employee stock options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	59,387	59,387	
Changes in ownership interests in subsidiaries	-	96,425	-	-	-	-	-	-	-	-	-	-	96,425	(27,762)	68,663	
Stock option compensation cost of subsidiaries	-	1,857	-	-	-	-	-	-	-	-	-	-	1,857	97	1,954	
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,127)	(2,127)	
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	7,115	-	7,115	-	7,115	
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	28,605	28,605	-	-	-	-	-	-	28,605	-	28,605	
<b>Balance at June 30, 2018</b>	\$ 30,765,028	27,841,458	281,559	2,534,028	1,606,873	4,422,460	(2,709,427)	64,447	-	(87,360)	(4,978)	(2,914,856)	57,376,772	789,017	58,165,789	

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**ACER INCORPORATED AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the six months ended June 30, 2018 and 2017**

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

	<b>For the six months ended June 30</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 2,210,728	238,509
<b>Adjustments for:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation	212,980	260,109
Amortization	233,688	288,939
Net loss on financial assets measured at fair value through profit or loss	63,616	-
Interest expense	109,616	105,053
Interest income	(168,819)	(139,494)
Dividend income	-	(1,551)
Share-based compensation cost	9,069	7,535
Effects of exchange rate changes in investments in debt instrument without an active market	-	(3,997)
Share of losses of associates and joint ventures	55,225	20,974
Loss (gain) on disposal of property, plan and equipment and non-current assets held for sale	(902)	4,403
Intangible assets reclassified to expenses	-	83
Other non-current assets reclassified to costs	63,999	-
Net loss on disposal of investments	75,033	-
Gain on bargain purchase	(6,385)	-
Other investment loss	3,696	18,630
<b>Total profit and loss</b>	<b>650,816</b>	<b>560,684</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Net changes in operating assets:</b>		
Derivative financial instruments measured at fair value through profit or loss	(1,740,732)	3,111,621
Contract assets	(240,522)	-
Notes and accounts receivable	2,281,540	1,861,161
Receivables from related parties	126,384	(2,867)
Inventories	(2,592,340)	(8,797,899)
Other receivables and other current assets	460,694	(439,505)
Other non-current assets	(68,702)	24,649
<b>Net changes in operating assets</b>	<b>(1,773,678)</b>	<b>(4,242,840)</b>
<b>Net changes in operating liabilities:</b>		
Notes and accounts payable	(1,530,011)	(17,958,937)
Payables to related parties	(1,183)	(942)
Refund liabilities	(699,600)	-
Other payables and other current liabilities	341,361	(1,016,332)
Provisions	(190,800)	(640,367)
Other non-current liabilities	121,398	152,366
<b>Net changes in operating liabilities</b>	<b>(1,958,835)</b>	<b>(19,464,212)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(3,732,513)</b>	<b>(23,707,052)</b>
<b>Total adjustments</b>	<b>(3,081,697)</b>	<b>(23,146,368)</b>
Cash used in operations	(870,969)	(22,907,859)
Interest received	171,313	112,733
Income taxes paid	(461,446)	(65,625)
<b>Net cash used in operating activities</b>	<b>(1,161,102)</b>	<b>(22,860,751)</b>

(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 six months ended June 30, 2018 and 2017**

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

	<b>For the six months ended June 30</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets measured at fair value through other comprehensive income	(86,605)	-
Proceeds from capital return of financial assets measured at fair value through other comprehensive income	11,821	-
Purchase of available-for-sale financial assets	-	(184,125)
Proceeds from capital return of available-for-sale financial assets	-	7,236
Proceeds from disposal of financial assets	71,034	-
Purchase of investments in debt instrument without active market	-	(4,565)
Proceeds from repayments of investments in debt instrument without active market	-	10,229
Acquisition of investments accounted for using equity method	-	(234,674)
Proceeds from disposal of investments accounted for using equity method	557	-
Proceeds from disposal of non-current assets held for sale	163,974	-
Additions to property, plant and equipment	(121,582)	(71,844)
Proceeds from disposal of property, plant and equipment	5,927	38,793
Additions to intangible assets	(77,188)	(8,937)
Net cash received from (paid for) acquisition of subsidiaries	8,012	(16,085)
Increase in other non-current financial assets	(7,321)	(135,839)
Dividends received	3,122	3,996
<b>Net cash flows used in investing activities</b>	<b>(28,249)</b>	<b>(595,815)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	(482,894)	1,454,497
Increase in long-term debt	21,915	-
Repayment of long-term debt	(1,800,183)	(334)
Cash dividends paid to non-controlling interests by subsidiaries	(2,127)	-
Issuance of common stock from exercise of employee stock options by subsidiaries	59,387	-
Increase in non-controlling interests	68,663	-
Interest paid	(101,336)	(103,815)
<b>Net cash flows from (used in) financing activities</b>	<b>(2,236,575)</b>	<b>1,350,348</b>
<b>Effect of foreign exchange rate changes</b>	<b>257,907</b>	<b>(1,066,461)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,168,019)</b>	<b>(23,172,679)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>33,970,331</b>	<b>44,289,673</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 30,802,312</b>	<b>21,116,994</b>