

Soft-World International
Corporation and Subsidiaries

Consolidated Financial Statements
for the Six Months Ended June 30,
2024 and 2023 and Independent
Auditors' Review Report

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§Index§

	Item	Page	No. of notes to financial statements
1.	Cover Page	1	-
2.	Index	2	-
3.	Independent Auditors' Review Report	3~4	-
4.	Consolidated Balance Sheet	5	-
5.	Consolidated Statement of Comprehensive Income	6	-
6.	Consolidated Statement of Changes in Equity	7	-
7.	Consolidated Statement of Cash Flows	8~9	-
8.	Notes to the Consolidated Financial Statements		
	(1) Company History	10	1
	(2) Approval Date and Procedures of the Financial Statements	10	2
	(3) New Standards, Amendments and Interpretations Adopted	10~11	3
	(4) A Summary of Significant Accounting Policies	11~12	4
	(5) Significant Accounting Judgments, Estimations, and Assumptions, and Major Sources of Estimation Uncertainty	12	5
	(6) Explanation of Significant Accounts	13~41	6~27
	(7) Related Party Transactions	41~44	28
	(8) Pledged Assets	44	29
	(9) Material Contingent Liabilities and Unrecognized Contractual Commitments	45	30
	(10) Losses due to Material Disasters	-	-
	(11) Significant Subsequent Events	-	-
	(12) Foreign-currency-denominated Assets and Liabilities with Significant Influence	-	-
	(13) Additional disclosures		
	1. Information on Significant Transactions	45, 48~51	31
	2. Information on Investees	45, 52~53	31
	3. Information on Investments in the Mainland China	46, 54	31
	4. Information of Major Shareholders	46, 55	31
	(14) Segment information	46~47	32

Independent Auditors' Review Report

The Board of Directors and Shareholders Soft-World International Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Soft-World International Corporation (the "Corporation") and its subsidiaries as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except as described in the paragraph Basis for Qualified Opinion, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily to persons responsible for financial and accounting affairs, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

As described in Note 12, the financial statements for the same periods of certain insignificant subsidiaries included in the consolidated financial statements above were not reviewed by independent auditors. Those statements reflect total assets of NTD 2,783,554 thousand and NTD 2,750,205 thousand, constituting 14% and 18% of the consolidated total assets, and total liabilities of NTD 410,433 thousand and NTD 408,194 thousand, constituting 4% and 5% of the consolidated total liabilities as of June 30, 2024 and 2023, respectively; and total comprehensive income of NTD 53,247, NTD 116,227 thousand, NTD 184,503 and NTD 160,227 thousand, constituting 13%, 28%, 22% and 23% of the consolidated total comprehensive income for the three-month periods and six-month periods ended June 30, 2024 and 2023, respectively.

Qualified Conclusion

Based on our review, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and the information been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of June 30, 2024 and 2023, and their consolidated financial performance and cash flows for the three-month periods and six-month periods ended June 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ report are Chen-Li Chen and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2024, DECEMBER 31 AND JUNE 30, 2023

(In Thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023	
Code	Asset	Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents (Note 6)	\$ 5,412,243	27	\$ 5,154,491	30	\$ 4,260,737	28
1140	Contract assets – current (Note 22)	4,868	-	4,446	-	3,866	-
1150	Notes receivable (Note 7)	1,017	-	578	-	5	-
1170	Accounts receivable, net (Notes 7 and 28)	326,475	2	313,785	2	349,998	2
1200	Other receivables (Notes 7 and 28)	2,003,560	10	1,654,193	10	1,446,230	10
1220	Current tax assets	8,616	-	7,999	-	6,887	-
130X	Inventories (Note 8)	29,035	-	28,631	-	54,564	-
1476	Other financial assets – current (Note 9 and 29)	6,169,041	30	7,102,790	42	6,602,516	44
1479	Other current assets (Note 7)	1,380,987	7	822,501	5	552,197	4
11XX	Total current assets	15,335,842	76	15,089,414	89	13,277,000	88
Non-current assets							
1510	Financial assets at fair value through profit or loss - noncurrent (Note 10)	3,636	-	5,144	-	10,725	-
1517	Financial assets at fair value through other comprehensive income – noncurrent (Note 11)	3,444,314	17	387,742	3	718,370	5
1550	Investments accounted for using the equity method (Note 13)	40,747	-	39,605	-	38,099	-
1600	Property, plant and equipment (Notes 14 and 29)	357,923	2	362,293	3	366,251	2
1755	Right-of-use assets	30,454	-	45,659	-	63,270	-
1760	Investment property (Notes 15 and 29)	35,124	-	35,246	-	36,994	-
1805	Goodwill	457,621	2	457,621	3	457,621	3
1821	Other intangible assets	22,977	-	26,549	-	43,589	-
1840	Deferred tax assets	18,188	-	20,525	-	21,352	-
1915	Prepayment for Equipment	-	-	-	-	884	-
1920	Refundable deposits	26,860	-	26,894	-	47,136	1
1975	Net defined benefit assets	29,091	-	28,801	-	27,012	-
1980	Other financial assets – non-current (Notes 9 and 29)	583,985	3	399,658	2	195,886	1
1990	Other non-current assets	526	-	526	-	526	-
15XX	Total non-current assets	5,051,446	24	1,836,263	11	2,027,715	12
1XXX	Total assets	\$ 20,387,288	100	\$ 16,925,677	100	\$ 15,304,715	100
Code	Liabilities and Equity						
Current liabilities							
2130	Contract liability – current (Note 22)	\$ 267,350	1	\$ 201,172	1	\$ 235,015	1
2150	Notes payable (Notes 16 and 28)	7,720	-	12,209	-	12,998	-
2170	Accounts payable (Notes 16 and 28)	302,454	2	336,140	2	250,994	2
2216	Dividends payable	9,377	-	-	-	6,629	-
2219	Other payables (Notes 17 and 28)	5,169,614	25	4,113,065	23	3,663,281	24
2230	Current tax liabilities	123,085	1	89,528	1	116,443	1
2280	Lease liabilities – current	22,516	-	29,045	-	34,784	-
2305	Other financial liabilities – current (Note 18)	736,902	4	815,880	5	768,341	5
2399	Other current liabilities (Note 19)	2,895,571	14	2,898,917	17	2,107,393	14
21XX	Total current liabilities	9,534,589	47	8,495,956	49	7,195,878	47
Non-current liabilities							
2570	Deferred tax liabilities	117,951	1	97,786	1	95,837	1
2580	Lease liabilities – non-current	8,600	-	17,403	-	29,158	-
2640	Net defined benefit liabilities	32,467	-	42,350	-	42,210	-
2645	Guarantee deposits received	101,868	-	98,269	1	99,118	1
25XX	Total non-current liabilities	260,886	1	255,808	2	266,323	2
2XXX	Total liabilities	9,795,475	48	8,751,764	51	7,462,201	49
Equity Attributable to Owners of the Corporation (Note 21)							
3110	Share capital	1,560,743	8	1,274,743	8	1,274,743	8
3200	Capital surplus	4,337,173	21	1,882,495	11	1,882,105	12
Retained earnings							
3310	Legal reserve	1,416,754	7	1,300,061	8	1,300,061	9
3320	Special reserve	25,117	-	46,916	-	46,916	-
3350	Unappropriated earnings	2,355,412	12	2,889,129	17	2,199,541	14
3300	Total retained earnings	3,797,283	19	4,236,106	25	3,546,518	23
3400	Other equity	271,220	1	172,873	1	415,612	3
3500	Treasury stock	(610,501)	(3)	(573,240)	(3)	(515,717)	(3)
31XX	Total equity attributable to owners of the Corporation	9,355,918	46	6,992,977	42	6,603,261	43
36XX	Non-controlling interests (Note 21)	1,235,895	6	1,180,936	7	1,239,253	8
3XXX	Total equity	10,591,813	52	8,173,913	49	7,842,514	51
3X2X	Total liabilities and equity	\$ 20,387,288	100	\$ 16,925,677	100	\$ 15,304,715	100

The accompanying notes are an integral part of the consolidated financial statements.

(Please refer to the review report issued by Deloitte & Touche on August 7, 2024)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenue (Notes 22 and 28)	\$ 1,652,470	100	\$ 1,600,397	100	\$ 3,377,102	100	\$ 3,259,970	100
5000	Operating costs (Notes 23 and 28)	727,312	44	789,487	49	1,511,924	45	1,558,444	48
5900	Gross profit	925,158	56	810,910	51	1,865,178	55	1,701,526	52
	Operating expenses (Note 23 and 28)								
6100	Selling and marketing expenses	419,111	25	373,506	23	830,291	24	808,327	25
6200	General and administrative expenses	111,948	7	85,853	6	213,856	6	175,725	5
6300	Research and development expenses	83,035	5	69,661	4	159,953	5	137,692	4
6450	Expected credit loss (Note 7 and 22)	17,746	1	3,946	-	24,697	1	7,918	-
6000	Total operating expenses	631,840	38	532,966	33	1,228,797	36	1,129,662	34
6900	Operating profit	293,318	18	277,944	18	636,381	19	571,864	18
	Non-operating income and expenses (Notes 13 and 23)								
7100	Interest income	40,835	2	36,022	2	69,766	2	61,236	2
7190	Other income	165,218	10	7,760	-	173,036	5	14,862	-
7020	Other gains and losses	(19,427)	(1)	(7,563)	-	(10,269)	-	547	-
7050	Finance costs	(220)	-	(418)	-	(487)	-	(831)	-
7070	Share of gain of associates accounted for using the equity method	706	-	(387)	-	1,142	-	(225)	-
7000	Total non-operating revenues and expenses	187,112	11	35,414	2	233,188	7	75,589	2
7900	Profit before income tax	480,430	29	313,358	20	869,569	26	647,453	20
7950	Income tax expense (Note 24)	57,755	3	68,177	4	143,984	4	137,823	4
8000	Net income	422,675	26	245,181	16	725,585	22	509,630	16
	Other comprehensive income								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized income (loss) on investments in equity instruments at fair value through other comprehensive income (Note 21)	(36,731)	(2)	165,948	10	62,012	2	195,218	6
8310		(36,731)	(2)	165,948	10	62,012	2	195,218	6
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating foreign operations (Note 21)	15,072	1	2,149	-	53,688	1	(4,084)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	(2,153)	-	(769)	-	(7,079)	-	364	-
8360		12,919	1	1,380	-	46,609	1	(3,720)	-
8300	Other comprehensive income for the period, net of income tax	(23,812)	(1)	167,328	10	108,621	3	191,498	6
8500	Total comprehensive Income in current period	\$ 398,863	25	\$ 412,509	26	\$ 834,206	25	\$ 701,128	22
	Net profit attributable to:								
8610	Owners of the Corporation	\$ 393,995	24	\$ 214,564	14	\$ 650,067	20	\$ 477,339	15
8620	Non-controlling interest	28,680	2	30,617	2	75,518	2	32,291	1
8600		\$ 422,675	26	\$ 245,181	16	\$ 725,585	22	\$ 509,630	16
	Total Comprehensive Income Attributable to:								
8710	Owners of the Corporation	\$ 367,438	23	\$ 377,403	24	\$ 748,117	22	\$ 661,328	21
8720	Non-controlling interests	31,425	2	35,106	2	86,089	3	39,800	1
8700		\$ 398,863	25	\$ 412,509	26	\$ 834,206	25	\$ 701,128	22
	Earnings per share (Note 25)								
9750	Basic	\$ 2.64		\$ 1.77		\$ 4.50		\$ 3.94	
9850	Diluted	\$ 2.63		\$ 1.76		\$ 4.48		\$ 3.92	

The accompanying notes are an integral part of the consolidated financial statements
(Please refer to the review report issued by Deloitte & Touche on August 7, 2024)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Corporation													
		Retained earnings					Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Treasury stock	Total	Non-controlling interests	Total equity
Code		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated Earnings							
A1	Balance on January 1, 2023	\$ 1,274,743	\$ 1,842,281	\$ 1,214,851	\$ 25,117	\$ 2,717,604	(\$ 19,578)	\$ 251,201	\$ 231,623	(\$ 515,770)	\$ 6,790,449	\$ 1,206,342	\$ 7,996,791
	Appropriation of 2022 earnings (Note 21)												
B1	Legal reserve	-	-	85,210	-	(85,210)	-	-	-	-	-	-	-
B5	Special reserve	-	-	-	21,799	(21,799)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Corporation	-	-	-	-	(888,393)	-	-	-	-	(888,393)	-	(888,393)
		-	-	85,210	21,799	(995,402)	-	-	-	-	(888,393)	-	(888,393)
O1	Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	-	-	-	(7,668)	(7,668)
D1	Net profit for the six months ended June 30, 2023	-	-	-	-	477,339	-	-	-	-	477,339	32,291	509,630
D3	Other comprehensive (loss) income for the six months ended June 30, 2023, net of tax	-	-	-	-	-	(2,646)	186,635	183,989	-	183,989	7,509	191,498
D5	Total comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	477,339	(2,646)	186,635	183,989	-	661,328	39,800	701,128
M1	Adjustments of capital surplus for the Corporation’s cash dividends received by subsidiaries	-	39,511	-	-	-	-	-	-	-	39,511	-	39,511
M7	Changes in percentage of ownership interests in subsidiaries	-	313	-	-	-	-	-	-	53	366	(366)	-
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,145	1,145
Z1	Balance on June 30, 2023	\$ 1,274,743	\$ 1,882,105	\$ 1,300,061	\$ 46,916	\$ 2,199,541	(\$ 22,224)	\$ 437,836	\$ 415,612	(\$ 515,717)	\$ 6,603,261	\$ 1,239,253	\$ 7,842,514
A1	Balance on January 1, 2024	\$ 1,274,743	\$ 1,882,495	\$ 1,300,061	\$ 46,916	\$ 2,889,129	(\$ 24,882)	\$ 197,755	\$ 172,873	(\$ 573,240)	\$ 6,992,977	\$ 1,180,936	\$ 8,173,913
	Appropriation of 2023 earnings (Note 21)												
B1	Legal reserve	-	-	116,693	-	(116,693)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Corporation	-	-	-	-	(1,088,593)	-	-	-	-	(1,088,593)	-	(1,088,593)
B17	Reversal of special reserve	-	-	-	(21,799)	21,799	-	-	-	-	-	-	-
		-	-	116,693	(21,799)	(1,183,487)	-	-	-	-	(1,088,593)	-	(1,088,593)
C15	Cash dividends distributed through capital surplus (Note 21)	-	(311,027)	-	-	-	-	-	-	-	(311,027)	-	(311,027)
O1	Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	-	-	-	(9,869)	(9,869)
D1	Net profit for the six months ended June 30, 2024	-	-	-	-	650,067	-	-	-	-	650,067	75,518	725,585
D3	Other comprehensive income for the six months ended June 30, 2024, net of tax	-	-	-	-	-	36,605	61,445	98,050	-	98,050	10,571	108,621
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	650,067	36,605	61,445	98,050	-	748,117	86,089	834,206
K1	Issuance of common stock – other (Note 21)	286,000	2,708,992	-	-	-	-	-	-	-	2,994,992	-	2,994,992
L5	Acquisition of parent company’s stock by subsidiaries treated as a treasury stock transaction (Note 21)	-	-	-	-	-	-	-	-	(37,356)	(37,356)	(22,426)	(59,782)
M1	Adjustments of capital surplus for the Corporation’s cash dividends received by subsidiaries	-	56,227	-	-	-	-	-	-	-	56,227	-	56,227
M7	Changes in percentage of ownership interests in subsidiaries	-	486	-	-	-	-	-	-	95	581	(581)	-
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,746	1,746
Q1	Disposal of investment in equity instruments designated as at fair value through other comprehensive income (Note 11)	-	-	-	-	(297)	-	297	297	-	-	-	-
Z1	Balance on June 30, 2024	\$ 1,560,743	\$ 4,337,173	\$ 1,416,754	\$ 25,117	\$ 2,355,412	\$ 11,723	\$ 259,497	\$ 271,220	(\$ 610,501)	\$ 9,355,918	\$ 1,235,895	\$ 10,591,813

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 7, 2024)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 869,569	\$ 647,453
A20000	Adjustments for		
A20010	Income and expenses		
A20100	Depreciation expense	30,164	31,522
A20200	Amortization expense	12,585	16,652
A20300	Expected credit loss recognized on accounts receivable	24,697	7,918
A20400	Loss (gain) on financial assets at fair value through profit or loss	1,505	(650)
A20900	Finance costs	487	831
A21200	Interest income	(69,766)	(61,236)
A21300	Dividend income	(157,300)	-
A22300	Share of gain of associates accounted for using the equity method	(1,142)	225
A29900	Others	1,399	(16)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(422)	(1,602)
A31130	Notes receivable	(439)	(5)
A31150	Accounts receivable	(12,665)	7,292
A31180	Other receivables	(198,274)	190,781
A31200	Inventories	(1,803)	7,177
A31240	Other current assets	(575,920)	120,408
A31250	Other financial assets	657,338	265,750
A32125	Contract liability	66,178	(40,928)
A32130	Notes payable	(4,489)	5,921
A32150	Accounts payable	(33,686)	(108,288)
A32180	Other payables	1,047,887	(710,128)
A32220	Other financial liabilities	(78,978)	(32,485)
A32230	Other current liabilities	(3,346)	(458,857)
A32240	Net defined benefit liabilities	(10,172)	(15,289)
A33000	Cash generated from (used in) operations	1,563,407	(127,554)
A33100	Interest received	67,917	60,149
A33300	Interest paid	(487)	(831)
A33500	Income tax paid	(95,621)	(150,596)
AAAA	Net cash generated from (used in) operating activities	<u>1,535,216</u>	<u>(218,832)</u>

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SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
	Cash flows from investing activities		
	Proceeds from disposal of financial assets at fair value through other B00020 comprehensive income	\$ 432	\$ -
B00200	Proceeds from disposal of Financial assets at fair value through profit or loss	3	-
B02700	Payments for property, plant, and equipment	(5,865)	(10,778)
B02800	Proceeds from disposal of property, plant, and equipment	11	15
B03800	(Increase) decrease in refundable deposits	34	(18,252)
B04500	Payments for intangible assets	(513)	(4,748)
B06500	Decrease (increase) in other financial assets	<u>92,084</u>	<u>(117,284)</u>
BBBB	Net cash generated from (used in) investing activities	<u>86,186</u>	<u>(151,047)</u>
	Cash flows from financing activities		
C03100	Increase in guarantee deposits received	3,599	3,262
C04020	Repayment of the principal portion of lease liabilities	(17,672)	(17,244)
C04500	Distribution of cash dividends	(1,343,393)	(848,882)
C04900	Acquisition of the parent company's shares held by subsidiaries	(59,782)	-
C05800	Changes in non-controlling interests	<u>1,254</u>	<u>106</u>
CCCC	Net cash used in financing activities	<u>(1,415,994)</u>	<u>(862,758)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>52,344</u>	<u>(3,673)</u>
EEEE	Net increase (decrease) in cash and cash equivalents for the period	257,752	(1,236,310)
E00100	Cash and cash equivalents at the beginning of the period	<u>5,154,491</u>	<u>5,497,047</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 5,412,243</u>	<u>\$ 4,260,737</u>

(Please refer to the review report issued by Deloitte & Touche on August 7, 2024)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Company History

Soft-World International Corporation (the “Corporation”) was incorporated in July 1983, and it is mainly engaged in digital content point service platforms, production and publication of computer game magazines, commercial advertising services and the retail sale of entertainment products and accessories for game software. The Corporation also acts as an agent for games and commercial software.

The Corporation’s shares have been listed on the Taipei Exchange for trading since March 2001.

These consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial statements were approved by the Corporation’s board of directors and issued on August 7, 2024.

3. New Standards, Amendments and Interpretations Adopted

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant impact on the accounting policies of the Corporation and the entities controlled by the Corporation (collectively, the “Group”).

- (2) IFRSs endorsed by the FSC to be applied in 2025

New Standards, Amendments, Revised Standards and Interpretations	Effective date announced by the International Accounting Standards Board (IASB)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2025. At the date of initial application of the amendments, an entity shall not restate comparative information. Instead, it shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or to the cumulative amount of translation differences of foreign financial statements under equity (whichever appropriate) and to the affected assets and liabilities.

- (3) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC.

New Standards, Amendments, Revised Standards and Interpretations	Effective Date Announced by the IASB (Note)
“Annual Improvements to IFRS Accounting Standards—Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 - “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above new standards, amendments, revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

The Group has been continuously evaluating the other effects of the amendments to various standards and interpretations on the financial status and financial performance as of the date the consolidated financial statements were approved and issued; also, the said impact will be disclosed upon the completion of the evaluation.

4. A Summary of Significant Accounting Policies

(1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not cover the IFRSs disclosure as required by the whole annual financial reporting.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit assets or liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Level 1 to Level 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries). All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation.

For details on the percentages of ownership and main operating activities of the subsidiaries, please refer to Note 12 and Tables 5 and 6.

(4) Other Material Accounting Policy

In addition to the description below, please refer to A Summary of Material Accounting Policy provided in the consolidated financial statements for the year 2023.

1. Defined benefits retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

2. Income tax expense

Income tax expense represents the sum of the taxes currently payable and deferred tax. Interim income tax expenses are accrued on an annual basis by applying the tax rate that would be applicable to expected total annual earnings to the interim period pre-tax income.

5. Significant Accounting Judgments, Estimations, and Assumptions, and Major Sources of Estimation Uncertainty

Please refer to the 2023 Consolidated Financial Statements for the significant accounting judgments, estimations, and assumptions, and major sources of estimation uncertainty.

6. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 1,248	\$ 1,293	\$ 1,432
Bank deposits	3,712,447	2,957,234	2,228,262
Cash equivalents			
Time deposits with an initial maturity of less than three months	<u>1,698,548</u>	<u>2,195,964</u>	<u>2,031,043</u>
	<u>\$ 5,412,243</u>	<u>\$ 5,154,491</u>	<u>\$ 4,260,737</u>

7. Notes receivable, accounts receivable, other receivables and other current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable			
From operations	<u>\$ 1,017</u>	<u>\$ 578</u>	<u>\$ 5</u>
Accounts receivable			
At amortized cost			
Gross carrying amount	\$ 327,301	\$ 314,636	\$ 353,481
Less: Allowance for impairment loss	<u>(826)</u>	<u>(851)</u>	<u>(3,483)</u>
	<u>\$ 326,475</u>	<u>\$ 313,785</u>	<u>\$ 349,998</u>
Other receivables			
Gross carrying amount	\$ 2,036,884	\$ 1,690,916	\$ 1,486,645
Less: Allowance for impairment loss	<u>(33,324)</u>	<u>(36,723)</u>	<u>(40,415)</u>
	<u>\$ 2,003,560</u>	<u>\$ 1,654,193</u>	<u>\$ 1,446,230</u>
Receivables for agency transactions (classified under other current assets)			
Gross carrying amount	\$ 1,240,427	\$ 778,837	\$ 430,379
Less: Allowance for impairment loss	<u>(108,802)</u>	<u>(91,368)</u>	<u>(43,925)</u>
	<u>\$ 1,131,625</u>	<u>\$ 687,469</u>	<u>\$ 386,454</u>

(1) Notes receivable

At the end of the reporting period, there were no notes receivable past due.

(2) Accounts receivable

The Group's credit periods primarily range from 30 to 90 days. The Group adopted a policy of only dealing with entities that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means to mitigate any risk of financial losses arising from defaults. The Group uses other publicly available financial information or transaction records to assess the credibility of its major customers. The Group continuously monitors its credit exposure and the credit ratings of its counterparties, and by reviewing and approving credit limits of its counterparties, it controls its credit exposure.

The Group recognizes a loss allowance at an amount equal to lifetime expected credit losses. The lifetime expected credit losses take into account historical default records and current financial status of customers, the economic condition of the industry, as well as GDP forecast and industry outlook. Customers are further segmented by credit losses and assigned an expected credit loss rate according to the age of accounts receivable or the number of days past due.

The Group writes off an account receivable when there is evidence indicating significant financial difficulty of the counterparty and the Group cannot reasonably expect the amount recoverable, e.g. the counterparty goes into liquidation or the debt is past due. However, the Group continues to engage in recourse activities and recognizes the amount recovered from recourse in profit or loss.

The age analysis and the loss allowance of the Group's accounts receivable are as follows:

June 30, 2024

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total	
Customer Group 1						
Expected credit loss rate (%)	-	0~3	15~30	100		
Gross carrying amount	\$ 269,945	\$ 379	\$ 296	\$ 602	\$ 271,222	
Loss allowance (lifetime expected credit losses)	-	-	(17)	(602)	(619)	
At amortized cost	<u>\$ 269,945</u>	<u>\$ 379</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 270,603</u>	
		Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Total
Customer Group 2	Note past due					
Expected credit loss rate (%)	0~3	0~7	0~10	0~50	100	
Gross carrying amount	\$ 54,802	\$ 1,164	\$ 86	\$ 1	\$ 26	\$ 56,079
Loss allowance (lifetime expected credit losses)	(192)	-	-	-	(15)	(207)
At amortized cost	<u>\$ 54,610</u>	<u>\$ 1,164</u>	<u>\$ 86</u>	<u>\$ 1</u>	<u>\$ 11</u>	<u>\$ 55,872</u>

December 31, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total	
Customer Group 1						
Expected credit loss rate (%)	-	0~3	15~30	100		
Gross carrying amount	\$ 276,547	\$ 233	\$ 584	\$ 52	\$ 277,416	
Loss allowance (lifetime expected credit losses)	-	-	(550)	(52)	(602)	
At amortized cost	<u>\$ 276,547</u>	<u>\$ 233</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 276,814</u>	
		Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Total
Customer Group 2	Note past due					
Expected credit loss rate (%)	0~3	0~7	0~10	0~50	0~100	
Gross carrying amount	\$ 36,291	\$ 903	\$ -	\$ 1	\$ 25	\$ 37,220
Loss allowance (lifetime expected credit losses)	(234)	-	-	-	(15)	(249)
At amortized cost	<u>\$ 36,057</u>	<u>\$ 903</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 36,971</u>

June 30, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total	
Customer Group 1						
Expected credit loss rate (%)	-	0～3	15～30	100		
Gross carrying amount	\$ 302,394	\$ 1,885	\$ 1,806	\$ 316	\$ 306,401	
Loss allowance (lifetime expected credit losses)	-	(16)	(1,703)	(316)	(2,035)	
At amortized cost	<u>\$ 302,394</u>	<u>\$ 1,869</u>	<u>\$ 103</u>	<u>\$ -</u>	<u>\$ 304,366</u>	
		Past due 1–90	Past due 91–	Past due 181–	Past over 270	
	Note past due	days	180 days	270 days	days	Total
Customer Group 2						
Expected credit loss rate (%)	0～3	0～7	0～10	0～50	0～100	
Gross carrying amount	\$ 44,718	\$ 330	\$ 748	\$ 5	\$ 1,279	\$ 47,080
Loss allowance (lifetime expected credit losses)	(180)	-	-	-	(1,268)	(1,448)
At amortized cost	<u>\$ 44,538</u>	<u>\$ 330</u>	<u>\$ 748</u>	<u>\$ 5</u>	<u>\$ 11</u>	<u>\$ 45,632</u>

(3) Other receivables

The Group's other receivables are mainly receivables for agency transactions, which are the receivables from partnering channels arising from the sale of points for MyCard, an exclusive point card issued by the Corporation. The credit periods for those receivables range from 30 to 120 days.

The age analysis and the loss allowance of the Group's other receivables are as follows:

June 30, 2024

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<u>Customer Group 1</u>					
Expected credit loss rate (%)	-	0~3	15~30	0~100	
Gross carrying amount	\$ 1,909,858	\$ 81,658	\$ 17,406	\$ -	\$ 2,008,922
Loss allowance (lifetime expected credit losses)	-	(1,442)	(15,370)	-	(16,812)
At amortized cost	<u>\$ 1,909,858</u>	<u>\$ 80,216</u>	<u>\$ 2,036</u>	<u>\$ -</u>	<u>\$ 1,992,110</u>

	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Customers with indication of unlikeliness to pay	Total
<u>Customer Group 2</u>							
Expected credit loss rate (%)	-	-	-	-	0~100	100	
Gross carrying amount	\$ 11,450	\$ -	\$ -	\$ -	\$ 577	\$ 15,935	\$ 27,962
Loss allowance (lifetime expected credit losses)	-	-	-	-	(577)	(15,935)	(16,512)
At amortized cost	<u>\$ 11,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,450</u>

December 31, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<u>Customer Group 1</u>					
Expected credit loss rate (%)	-	0~3	15~30	0~100	
Gross carrying amount	\$ 1,587,379	\$ 50,977	\$ 19,551	\$ 8,663	\$ 1,666,570
Loss allowance (lifetime expected credit losses)	-	(1,553)	(10,755)	(8,663)	(20,971)
At amortized cost	<u>\$ 1,587,379</u>	<u>\$ 49,424</u>	<u>\$ 8,796</u>	<u>\$ -</u>	<u>\$ 1,645,599</u>

	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Customers with indication of unlikeliness to pay	Total
<u>Customer Group 2</u>							
Expected credit loss rate (%)	-	-	-	-	0~100	100	
Gross carrying amount	\$ 8,594	\$ -	\$ -	\$ -	\$ 577	\$ 15,175	\$ 24,346
Loss allowance (lifetime expected credit losses)	-	-	-	-	(577)	(15,175)	(15,752)
At amortized cost	<u>\$ 8,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,594</u>

June 30, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<u>Customer Group 1</u>					
Expected credit loss rate (%)	-	0~3	15~30	0~100	
Gross carrying amount	\$ 1,388,721	\$ 46,900	\$ 12,718	\$ 12,997	\$ 1,461,336
Loss allowance (lifetime expected credit losses)	-	(1,336)	(8,277)	(12,997)	(22,610)
At amortized cost	<u>\$ 1,388,721</u>	<u>\$ 45,564</u>	<u>\$ 4,441</u>	<u>\$ -</u>	<u>\$ 1,438,726</u>

	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Customers with indication of unlikeliness to pay	Total
Customer Group 2							
Expected credit loss rate (%)	-	-	-	-	0–100	100	
Gross carrying amount	\$ 7,504	\$	\$	\$	\$ 2,721	\$ 15,084	\$ 25,309
Loss allowance (lifetime expected credit losses)	-	-	-	-	(2,721)	(15,084)	(17,805)
At amortized cost	<u>\$ 7,504</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,504</u>

(4) Other current assets

Those are mainly the receivables for agency transactions arising from the Group's third-party payment business and usually collected within 1-10 days. In the event of a consumer dispute or a fraudulent transaction related to the receivables that may result in unrecoverable receivables or a higher probability of losses, the Group assesses the receivables on a case-by-case basis and subsequently recognizes an impairment loss.

(5) The movements of loss allowance for accounts receivable, other receivables and other current assets are as follows:

	January 1 to June 30, 2024			
	Accounts receivable	Other receivables	Other current assets	Total
Balance at January 1, 2024	\$ 851	\$ 36,723	\$ 91,368	\$ 128,942
Recognition (reversal)	(33)	7,296	17,434	24,697
Amounts written off	-	(11,455)	-	(11,455)
Foreign exchange gains and losses	8	760	-	768
Balance at June 30, 2024	<u>\$ 826</u>	<u>\$ 33,324</u>	<u>\$ 108,802</u>	<u>\$ 142,952</u>

	January 1 to June 30, 2023			
	Accounts receivable	Other receivables	Other current assets	Total
Balance at January 1, 2023	\$ 3,490	\$ 59,440	\$ 34,909	\$ 97,839
Recognition (reversal)	71	(1,169)	9,016	7,918
Amounts written off	(74)	(17,506)	-	(17,580)
Foreign exchange gains and losses	(4)	(350)	-	(354)
Balance at June 30, 2023	<u>\$ 3,483</u>	<u>\$ 40,415</u>	<u>\$ 43,925</u>	<u>\$ 87,823</u>

8. Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ -	\$ -	\$ 131
Merchandises	<u>29,035</u>	<u>28,631</u>	<u>54,433</u>
	<u>\$ 29,035</u>	<u>\$ 28,631</u>	<u>\$ 54,564</u>

9. Other financial assets

	June 30, 2024	December 31, 2023	June 30, 2023
Pledged demand deposits (Note 29)	\$ 3,240	\$ 3,469	\$ 12,399
Pledged time deposits (Note 29)	75,000	66,000	51,000
Restricted trust deposits	1,397,787	2,067,216	1,624,898
Restricted bank deposits	56,215	53,124	53,887
Time deposits with an initial maturity of more than three months	<u>5,220,784</u>	<u>5,312,639</u>	<u>5,056,218</u>
	<u>\$ 6,753,026</u>	<u>\$ 7,502,448</u>	<u>\$ 6,798,402</u>
Current	\$ 6,169,041	\$ 7,102,790	\$ 6,602,516
Non-current	<u>583,985</u>	<u>399,658</u>	<u>195,886</u>
	<u>\$ 6,753,026</u>	<u>\$ 7,502,448</u>	<u>\$ 6,798,402</u>
Maturity dates	2024.7~ 2027.2	2024.1~ 2026.10	2023.7~ 2026.6
Interest rate interval (%)	0.54~3.85	0.54~3.85	0.29~3.85

The Group's receipts and payments in connection with the third-party payment and electronic payment services and its receipts for stored value are deposited in a dedicated trust account and presented under "other financial assets—restricted trust deposits."

10. Financial assets at fair value through profit or loss - noncurrent

	June 30, 2024	December 31, 2023	June 30, 2023
Mandatorily classified as at FVTPL			
Foreign listed shares	<u>\$ 3,636</u>	<u>\$ 5,144</u>	<u>\$ 10,725</u>

11. Financial assets at fair value through other comprehensive income – noncurrent

	June 30, 2024	December 31, 2023	June 30, 2023
Listed shares	\$ 3,298,251	\$ 249,821	\$ 171,210
Privately placed TPEX listed shares	-	-	419,093
Domestic and foreign unlisted shares	<u>146,063</u>	<u>137,921</u>	<u>128,067</u>
	<u>\$ 3,444,314</u>	<u>\$ 387,742</u>	<u>\$ 718,370</u>

The Corporation issued new shares in January 2024 to acquire the shares of Gloria Material Technology Corp. amounting to NTD 62,920 thousand and obtained a shareholding of 10.44%. Please refer to Note 21.

The Group sold the shares of Green World Hotels Co., Ltd. held at fair value in 2024 with the consideration of NTD432 thousand, and transferred the corresponding unrealized gain or loss on financial assets at fair value through other comprehensive income amounting to NTD297 thousand under other equity into retained earnings.

12. Subsidiaries

(1) Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements are listed below:

Investor	Investee	Nature of business	Percentage of ownership			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
The Corporation	Chinese Gamer International Corporation (Chinese Gamer)	Online gaming service	48	48	48	Note 1
	Soft-World Technology Pte. Ltd. (Soft-World (Singapore))	Sale of game software	100	100	100	Note 4
	Gameflir International Corporation (Gameflir)	Online gaming service	98	98	98	Note 4
	Global Concept Corporation (Global Concept)	Investment	100	100	100	Note 4
	Game First International Corporation (Game First)	Online gaming service	70	70	70	Note 4
	Zealot Digital International Corporation (Zealot Digital)	R&D and sales of game software	99	99	99	Note 4
	Soft-World (Hong Kong) International Corporation (Soft-World (Hong Kong))	Sale of game software	100	100	100	Note 3
	Dynasty International Information Co., Ltd. (Dynasty)	Design, development, and trading of computer software	86	86	86	Note 4
	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Investment	13	13	13	Note 3
	Interactive Entertainment Technology Co., Ltd. (Interactive Entertainment)	Investment	-	-	80	Note 5
	Fast Distributed Cloud Computing (Taiwan) Co., Ltd. (Fast Distributed Cloud)	Retail sale, wholesale and service of information software	90	90	90	Note 4
	Newweb Technologies Co., Ltd. (Newweb Technologies)	Retail sale of computer software, computers and digital information supply services	50	50	50	Note 2
	Efun International Corporation (Efun)	Information software and data processing services and general advertisement	80	80	80	Note 4
	Lung Hsiang Investment Co., Ltd. (Lung Hsiang Investment)	Investment	44	44	44	Note 4
	Celad International Corp. (Celad)	Online gaming service	32	32	32	Note 4
	We Can Financial Technology Co., Ltd.	Financial system and equipment development business	51	51	51	Note 4
Chinese Gamer	Taichigamer (B.V.I.) Co., Ltd. (Taichigamer)	Investment	100	100	100	Note 3
	Walkfun International Corporation (Walkfun)	Network authentication, data processing and digital information provision services	100	100	100	Note 4
	Celad International Corp. (Celad)	Online gaming service	68	68	68	Note 4
	Super Game Corporation (Super Game)	Online gaming service	88	88	88	Note 4
	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Investment	13	13	13	Note 3
	Star Diamond Universal Corporation (Star Diamond)	Investment	100	100	100	Note 3
	FunBear International Corp. (FunBear)	Online gaming service	100	100	100	Note 4
	GameTopia Co., Ltd. (GameTopia)	Online gaming service	65	65	65	Note 3

(Continued on next page)

(Continued)

Investor	Investee	Nature of business	Percentage of ownership			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
Taichigamer	Oriental Dragon Digital Co., Ltd. (Oriental Dragon)	Online gaming service	100	100	100	Note 4
	Lung Hsiang Investment Co., Ltd. (Lung Hsiang Investment)	Investment	30	30	30	Note 4
	Transasiagamer (B.V.I.) Co., Ltd. (Transasiagamer)	Investment	100	100	100	Note 3
	Dragon Gamer (Hong Kong) Co., Ltd. (Dragon Gamer)	Online gaming service	100	100	100	Note 3
GameTopia	GameTopia (Hong Kong) Co., Limited (Game Topia Hong Kong)	Information software service	100	100	100	Note 4
Transasiagamer	Yulon Online (Beijing) Technologies Co., Ltd. (Yulon Beijing Online)	Online gaming service	100	100	100	Note 3
Global Concept	Value Central Corporation (Value Central)	Investment	100	100	100	Note 4
Value Central	Gamers Grande Corporation (Gamers Grande)	Investment	100	100	100	Note 4
	Picked United Development Limited (Picked United Development)	Acquisition and licensing of game software	100	100	100	Note 4
Gamers Grande	Gameflir International (Beijing) Corporation (Beijing Gameflir)	Information processing and provision services	100	100	100	Note 4
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation (Compete ! Games Interactive Entertainment)	Distribution and operation of s-sports games.	100	100	100	Note 4
Interactive Entertainment	Interactive Entertainment Technology (Taiwan) Co., Ltd. (Interactive Entertainment)	Wholesale and service of information software	-	-	100	Note 5
Neweb Technologies	ezPay Co., Ltd. (ezPay)	Third-party payment service	100	100	100	Note 3
Efun	CS Technology Co. Ltd.(CS)	Information software	100	100	100	Note 3
	Re:Ad Media (Taiwan) Corporation (RE:AD)	General Advertising Service	100	100	100	Note 4
Lung Hsiang Investment	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Investment	74	74	74	Note 3

Note 1: It is a subsidiary with a material non-controlling interest, and it is a TPEx listed company, of which the Corporation holds an absolute majority of voting rights and can direct relevant activities. Thus, the company is recognized as a subsidiary.

Note 2: It is a significant subsidiary, whose financial statements were reviewed by CPAs.

Note 3: It is an insignificant subsidiary, whose financial statements were reviewed by CPAs.

Note 4: It is an insignificant subsidiary, whose financial statements were not reviewed by CPAs.

Note 5: It was liquidated in 2023.

The combined total assets of the abovementioned insignificant subsidiaries as of June 30, 2024 and 2023 were NTD 2,783,554 thousand and NTD2,750,205 thousand, respectively; the combined total liabilities were NTD 410,433 thousand and NTD 408,194 thousand, respectively. The combined comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were NTD 53,247 thousand, NTD 116,227 thousand, NTD 184,503 thousand and NTD 160,227 thousand,

respectively. Such financial information was prepared based on the unreviewed financial statements of the said subsidiaries of the same period.

(2) Details of subsidiaries with material non-controlling interests

Investee	Percentage of ownership and voting rights held by non-controlling interests (%)		
	December 31,		
	June 30, 2024	2023	June 30, 2023
Chinese Gamer	52	52	52

Please refer to Table 5 for the information on main operating locations and countries of incorporation.

Investee	(Loss) profit allocated to non-controlling interests				Non-controlling interest		
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2023
Chinese Gamer	\$ 15,928	\$ 7,906	\$ 38,294	\$ 4,846	\$ 622,186	\$ 573,819	\$ 577,701

The financial summary was prepared based on the amounts before the elimination of intragroup transactions:

Chinese Gamer and its subsidiaries

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 777,362	\$ 845,286	\$ 869,901
Non-current assets	665,038	490,142	499,104
Current liabilities	(112,433)	(102,199)	(120,594)
Non-current liabilities	(1,283)	(3,636)	(10,369)
Equity	\$ 1,328,684	\$ 1,229,593	\$ 1,238,042

Equity attributable to:

Owners of the Corporation	\$ 671,219	\$ 626,463	\$ 630,086
Non-controlling interests of Chinese Gamer	622,186	573,819	577,701
Non-controlling interests of Chinese Gamer's subsidiaries	35,279	29,311	30,255
	\$ 1,328,684	\$ 1,229,593	\$ 1,238,042

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Operating revenue	<u>\$ 138,865</u>	<u>\$ 86,827</u>	<u>\$ 249,978</u>	<u>\$ 177,735</u>
Net income	\$ 35,558	\$ 18,456	\$ 79,551	\$ 10,482
Other comprehensive (loss) income for the year	4,303	(1,696)	18,291	(2,258)
Cumulative Comprehensive Income	<u>\$ 39,861</u>	<u>\$ 16,760</u>	<u>\$ 97,842</u>	<u>\$ 8,224</u>
Net profit attributable to:				
Owners of the Corporation	\$ 14,955	\$ 7,430	\$ 35,977	\$ 4,554
Non-controlling interests of Chinese Gamer	15,928	7,906	38,294	4,846
Non-controlling interests of Chinese Gamer's subsidiaries	4,675	3,120	5,280	1,082
	<u>\$ 35,558</u>	<u>\$ 18,456</u>	<u>\$ 79,551</u>	<u>\$ 10,482</u>
Total Comprehensive Income Attributable to:				
Owners of the Corporation	\$ 16,871	\$ 6,385	\$ 44,270	\$ 3,374
Non-controlling interests of Chinese Gamer	17,964	6,793	47,107	3,577
Non-controlling interests of Chinese Gamer's subsidiaries	5,026	3,582	6,465	1,273
	<u>\$ 39,861</u>	<u>\$ 16,760</u>	<u>\$ 97,842</u>	<u>\$ 8,224</u>
Cash flow				
Operating activities			\$ 35,923	(\$ 17,171)
Investing activities			16,349	17,030
finance activities			(5,110)	(5,267)
Net cash inflow (outflow)			<u>\$ 47,162</u>	<u>(\$ 5,408)</u>

13. Investments accounted for using the equity method

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Investment in associates – individually immaterial associates	<u>\$ 40,747</u>	<u>\$ 39,605</u>	<u>\$ 38,099</u>

The summary of individually immaterial associates is as follows:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Share of the Group Total profit (loss) and other comprehensive loss or income for the period	<u>\$ 706</u>	<u>(\$ 387)</u>	<u>\$ 1,142</u>	<u>(\$ 225)</u>

The share of comprehensive loss or income of associates accounted for using the equity method was valued and disclosed based on the investees' financial statements of the same period unreviewed by CPAs.

14. Property, plant, and equipment

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Land	\$ 215,321	\$ 215,321	\$ 215,321
Buildings	111,427	113,652	116,082
Equipment	21,412	25,612	25,295
Miscellaneous equipment	7,157	4,577	5,898
Others	<u>2,606</u>	<u>3,131</u>	<u>3,655</u>
	<u>\$ 357,923</u>	<u>\$ 362,293</u>	<u>\$ 366,251</u>

- (1) Apart from the depreciation expense, there was not any addition, disposal or impairment of the Group's property, plant and equipment for the six-month periods ended June 30, 2024 and 2023.
- (2) The Group's property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Main buildings	20-55 years
Equipment	3-6 years
Miscellaneous equipment	3-5 years
Others	3-6 years

(3) Please refer to Note 29 for the amount of property, plant and equipment pledged.

15. Investment property

Apart from the depreciation expense, there was not any addition, disposal or impairment of the Group's investment property for the six-month periods ended June 30, 2024 and 2023. The investment property is depreciated on a straight-line basis over the useful lives ranging from 20 to 30 years.

The fair values of the Group's investment property as of December 31, 2023 and 2022 were NTD 540 million and NTD 570 million, respectively. These fair values were assessed by the Group's management based on the information on real estate transactions in the adjacent area. Based on the assessment of the Group's management, the fair values as of June 30, 2024 and 2023 did not have any significant difference from those as of December 31, 2023 and 2022.

16. Notes payable and accounts payable

The Group's notes payable and accounts payable all arise from operating activities, and the credit periods for purchases of goods or services approximately range from 30 to 90 days. In addition, the Group has adopted the financial risk management policy to ensure that all payables are paid within the pre-agreed credit terms, so no interest was charged on the outstanding balance.

17. Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for receipts under custody	\$ 4,535,732	\$ 3,498,160	\$ 3,100,400
Payables for salary	173,041	204,200	167,493
Payables for circulation	129,029	122,676	118,286
Payables for remuneration to employees and directors	121,485	68,776	104,977
Payables for royalty	13,797	27,834	11,104
Others	196,530	191,419	161,021
	<u>\$ 5,169,614</u>	<u>\$ 4,113,065</u>	<u>\$ 3,663,281</u>

The payables for receipts under custody are the receipts from My Card platform and points sales provided by the Group that should be paid to the game operators.

18. Other financial liabilities – current

	June 30, 2024	December 31, 2023	June 30, 2023
Temporary receipts from MyCard sales	<u>\$ 736,902</u>	<u>\$ 815,880</u>	<u>\$ 768,341</u>

19. Other current liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for agency transactions	<u>\$ 2,836,601</u>	<u>\$ 2,855,479</u>	<u>\$ 2,066,358</u>
Others	<u>58,970</u>	<u>43,438</u>	<u>41,035</u>
	<u>\$ 2,895,571</u>	<u>\$ 2,898,917</u>	<u>\$ 2,107,393</u>

The payables for agency transactions are the receipts and payments in connection with the third-party payment and electronic payment services and the receipts for stored value, and the Group recognized the amount not withdrawn by users under other current liabilities.

20. Retirement benefit plan

The pension expenses in connection to the defined benefit plan recorded for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were NTD 207 thousand, NTD 268 thousand, NTD 426 thousand and NTD 537 thousand, respectively, calculated using the respective actuarially determined pension cost rates as of December 31, 2023 and 2022.

21. Equity

(1) Share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u>300,000</u>	<u>200,000</u>	<u>200,000</u>
Share capital authorized	<u>\$ 3,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>156,074</u>	<u>127,474</u>	<u>127,474</u>
Share capital issued	<u>\$ 1,560,743</u>	<u>\$ 1,274,743</u>	<u>\$ 1,274,743</u>

On December 21, 2023, the Corporation's Board of Directors approved the issuance of new shares to be used as the consideration for the acquisition of shares of Gloria Material Technology Corp. by a resolution. The swap ratio for this transaction was 2.2 common shares of Gloria Material Technology Corp. in exchange for 1 common share of the Corporation. The Corporation issued a total of 28,600 thousand shares, through which the Corporation acquired 62,900 thousand shares of Gloria

Material Technology Corp. The share swap was filed with the competent authority and became effective with January 31, 2024 set as the record date for this share swap. The change of registration was subsequently completed.

The Company's Annual General Meeting held on June 24, 2024 approved the proposal to increase the authorized share capital to NTD3,000,000 thousand, and as of the date the consolidated financial statements were approved and issued, the change of registration on authorized share capital was not completed yet.

The par value of the common shares issued is NTD 10 per share, and a shareholder shall have one voting power in respect of each share in his/her/its possession and the right to dividends.

(2) Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset deficits, distributed in cash or transferred to share capital (Note)			
Issuance of ordinary shares	\$ 3,627,723	\$ 1,229,758	\$ 1,229,758
Conversion of bonds	245,975	245,975	245,975
Treasury share transactions	239,920	183,693	183,693
Difference between the consideration and carrying amount of subsidiaries acquired or disposed	59,180	59,180	59,180
May be used to offset deficits only			
Changes in percentage of ownership interests in subsidiaries	157,330	156,844	156,454
Changes in percentage of ownership interests in associates	6,955	6,955	6,955
Unclaimed dividends	90	90	90
	<u>\$ 4,337,173</u>	<u>\$ 1,882,495</u>	<u>\$ 1,882,105</u>

Note: Capital surplus in this category may be used to offset deficits, or distributed as cash dividends or transferred to share capital when the Corporation does not have a deficit. However, the amount to be transferred to share capital shall be limited to a certain percentage of the paid-in capital each year.

(3) Retained earnings and dividend policy

According to the Articles of Incorporation, the Corporation should distribute surplus or offset deficits at the end of each quarter. If there is any surplus after the quarterly settlement, the amount shall be reserved for the estimated tax amount, compensation of loss, employees' compensation and directors' remuneration; then 10% appropriated for legal reserve unless the legal reserve has equaled the company's paid-in capital, in such case, the company shall recognize or reverse special earnings. If there is any amount remaining, the Board of Directors shall prepare the proposal of distributing surplus, where the proposal shall be executed after resolution by the Board of Directors for cash distribution, or by the shareholders' meeting for stock distribution.

When there is a profit in a fiscal year, the Corporation shall first pay taxes lawfully, offset deficits and set aside 10% of the profit as legal reserve until the legal reserve amounts to the authorized capital. After the appropriation or reversal of special reserves required by laws or needed for the Corporation's operations, the remaining balance is the distributable earnings for the year, and, together with the undistributed earnings at the beginning of the period, the board of directors shall propose an earnings distribution plan through new share issuance and proceed upon the approval of the shareholders' meeting.

In the Corporation's Articles of Incorporation, the board of directors is authorized to distribute dividends or bonuses by a resolution pursuant to Article 240 of the Company Act or distribute the whole or a part of the legal reserve or capital surplus in cash pursuant to Article 241 of the same Act, and a report shall be submitted to the shareholders' meeting.

In consideration of the need for future expansion and R&D and coordination with the macro environment and industry characteristics for sustainable development and long-term profits for shareholders, dividends are appropriated based on the accumulated distributable earnings, provided the amount shall not be lower than 15% of the distributable earnings of the year under our dividend policy. However, no dividend will be distributed when the amount of accumulated distributed earnings is lower than 25% of the amount of paid-in capital. Dividends are released in either cash or stock, provided the amount of cash dividend shall not be lower than 10% of the total amount of dividends.

The legal reserve may be used to offset deficits. When the Corporation has no deficit and the legal reserve exceeds 25% of the paid-in capital, the excessive portion may be transferred to share capital or distributed to shareholders in cash.

The Company's earnings distribution plans for 2023 and 2022 are as follows:

	Earnings Distribution Plan		Dividend Per Share (in dollar)	
	2023	2022	2023	2022
Legal reserve	\$ 116,693	\$ 85,210		
(Reversal of) special reserve	(21,799)	21,799		
Cash dividends	1,088,593	888,393	\$ 7.00	\$ 7.00
	<u>\$ 1,183,487</u>	<u>\$ 995,402</u>		

The distributions of cash dividends above and cash through capital surplus for 2023 amounting to NTD 311,027 thousand (NTD 2 per share) were approved by the board of directors on March 16, 2024 and March 15, 2023, respectively. The distributions of other earnings were also resolved at the Annual General Meetings on June 24, 2024 and June 26, 2023, respectively.

(4) Special reserve

At its initial application of IFRSs, the Corporation's cumulative translation adjustment transferred into retained earnings amounted to NTD 25,117 thousand, and a special reserve in the same amount was recognized. As resolved in June 2023 by the shareholders' meeting, a special reserve of NTD 21,799 thousand was set aside for the difference between the market value and the carrying amount of the parent company's shares held by the subsidiaries in proportion to the Corporation's consolidated stake as of the end of 2022. In June 2024, a reversal of NTD 21,799 thousand for the recovery in market value was approved by the shareholders' meeting.

(5) Other Equity

1. Exchange Differences on Translating Foreign Operations

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	(\$ 24,882)	(\$ 19,578)
Recognition for the period		
Exchange differences on translating the financial statements of foreign operations	43,684	(3,010)
Related income tax arising from exchange differences	(7,079)	364
Ending balance	<u>\$ 11,723</u>	<u>(\$ 22,224)</u>

2. Unrealized gain (loss) on financial assets at FVTOCI

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 197,755	\$ 251,201
Recognition for the period		
Unrealized gain (loss) - equity instruments	61,445	186,635
Cumulative unrealized gain of equity instruments transferred earnings due to disposal	297	-
Ending balance	<u>\$ 259,497</u>	<u>\$ 437,836</u>

(6) Non-controlling interests

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 1,180,936	\$ 1,206,342
Share in profit for the period	75,518	32,291
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	10,004	(1,074)
Unrealized gain (loss) on financial assets at FVTOCI	567	8,583
Cash dividends distributed by subsidiaries	(9,869)	(7,668)
Shares held by the subsidiaries considered as treasury shares	(22,426)	-
Employees of subsidiaries exercise share options	1,165	779
Ending balance	<u>\$ 1,235,895</u>	<u>\$ 1,239,253</u>

(7) Treasury stock

Reason of buyback	Number of shares: in thousands				
	Beginning balance	For the current period		Ending number of shares and balance	
		Increase	Decrease	Shares	Amount
January 1 to June 30, 2024					
Shares of the Corporation held by subsidiaries	6,002	245	-	6,247	\$ 567,009
Transfer shares to employees	561	-	-	561	\$ 43,492

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Reason of buyback	Beginning balance	For the current period		Ending number of shares and balance	
		Increase	Decrease	Shares	Amount
January 1 to June 30, 2023					
Shares of the Corporation held by subsidiaries	5,645	-	1	5,644	\$ 472,225
Transfer shares to employees	561	-	-	561	\$ 43,492

The Corporation's shares acquired and held by the subsidiaries for the purpose of making the medium to long-term profits are accounted for as treasury shares.

As of June 30, 2024, December 31 and June 30, 2023, the market values of the treasury shares calculated based on the consolidated shareholding percentage were NTD 918,223 thousand, NTD 903,284 thousand and NTD 570,091 thousand, respectively.

22. Revenue

(1) Revenue from contracts with customers

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Rendering of services	\$ 1,312,794	\$ 1,315,512	\$ 2,632,108	\$ 2,636,300
Sale of goods	131,813	144,196	289,636	307,619
Operation of games	144,697	99,309	361,159	251,449
Licensing revenue	63,166	41,380	94,199	64,602
	<u>\$ 1,652,470</u>	<u>\$ 1,600,397</u>	<u>\$ 3,377,102</u>	<u>\$ 3,259,970</u>

(2) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Notes receivable, accounts receivable, other receivables and receivables for agency transactions (classified under other current assets)	<u>\$3,462,677</u>	<u>\$2,656,025</u>	<u>\$2,182,687</u>	<u>\$2,472,162</u>

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	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract assets	\$ 4,868	\$ 4,446	\$ 4,737	\$ 3,135
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>(871)</u>	<u>(871)</u>
	<u>\$ 4,868</u>	<u>\$ 4,446</u>	<u>\$ 3,866</u>	<u>\$ 2,264</u>
Contract liability				
Royalty fees for games	\$ 12,922	\$ 14,602	\$ 39,142	\$ 34,456
Game points	83,676	82,702	78,416	75,723
Others	<u>170,752</u>	<u>103,868</u>	<u>117,457</u>	<u>165,764</u>
	<u>\$267,350</u>	<u>\$201,172</u>	<u>\$235,015</u>	<u>\$275,943</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

(3) Disaggregation of revenue from contracts with customers

Please refer to Note 32 for the disaggregation of revenue.

23. Profit before income tax

(1) Interest income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Bank deposits	\$ 40,832	\$ 36,018	\$ 69,761	\$ 61,226
Others	<u>3</u>	<u>4</u>	<u>5</u>	<u>10</u>
	<u>\$ 40,835</u>	<u>\$ 36,022</u>	<u>\$ 69,766</u>	<u>\$ 61,236</u>

(3) Other income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Dividend income	\$ 157,300	\$ -	\$ 157,300	\$ -
Lease income from operating leases	5,287	5,963	11,446	12,104
Others	<u>2,631</u>	<u>1,797</u>	<u>4,290</u>	<u>2,758</u>
	<u>\$ 165,218</u>	<u>\$ 7,760</u>	<u>\$ 173,036</u>	<u>\$ 14,862</u>

(3) Other gains and losses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Gain on disposal of property, plant, and equipment	\$ -	\$ 5	\$ -	\$ 5
Net foreign exchange loss	(18,148)	(1,669)	(5,956)	(604)
Net gain (loss) on financial assets at FVTPL	(133)	(4,070)	(1,505)	650
Others	(1,146)	(1,829)	(2,808)	496
	<u>(\$19,427)</u>	<u>(\$ 7,563)</u>	<u>(\$ 10,269)</u>	<u>\$ 547</u>

(4) Depreciation and amortization

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Property, plant, and equipment	\$ 5,304	\$ 6,118	\$ 10,822	\$ 12,203
Right-of-use assets	8,814	8,762	17,616	17,534
Investment property	828	889	1,726	1,785
Other intangible assets	<u>6,294</u>	<u>8,458</u>	<u>12,585</u>	<u>16,652</u>
	<u>\$ 21,240</u>	<u>\$ 24,227</u>	<u>\$ 42,749</u>	<u>\$ 48,174</u>
Depreciation by function				
Operating cost	\$ 127	\$ 195	\$ 253	\$ 311
Operating expenses	13,991	14,685	28,185	29,426
Non-operating expenses	<u>828</u>	<u>889</u>	<u>1,726</u>	<u>1,785</u>
	<u>\$ 14,946</u>	<u>\$ 15,769</u>	<u>\$ 30,164</u>	<u>\$ 31,522</u>
Amortization by function				
Operating cost	\$ 2,553	\$ 5,455	\$ 5,091	\$ 10,934
Operating expenses	<u>3,741</u>	<u>3,003</u>	<u>7,494</u>	<u>5,718</u>
	<u>\$ 6,294</u>	<u>\$ 8,458</u>	<u>\$ 12,585</u>	<u>\$ 16,652</u>

(5) Employee benefits expense

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	<u>\$ 285,900</u>	<u>\$ 258,059</u>	<u>\$ 565,588</u>	<u>\$ 536,475</u>
Post-employment benefits				
Defined contribution plans	10,926	10,729	21,696	21,582
Defined benefit plan (Note 20)	<u>207</u>	<u>268</u>	<u>426</u>	<u>537</u>
	<u>11,133</u>	<u>10,997</u>	<u>22,122</u>	<u>22,119</u>
Employee benefits expense	<u>\$ 297,033</u>	<u>\$ 269,056</u>	<u>\$ 587,710</u>	<u>\$ 558,594</u>
Aggregation by function				
Operating cost	\$ 12,561	\$ 12,446	\$ 25,496	\$ 25,847
Operating expenses	<u>284,472</u>	<u>256,610</u>	<u>562,214</u>	<u>532,747</u>
	<u>\$ 297,033</u>	<u>\$ 269,056</u>	<u>\$ 587,710</u>	<u>\$ 558,594</u>

(6) Remuneration to employees and directors

According to the Articles of the Corporation, the Corporation accrued compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The employee compensation and director remuneration for the three months and six months ended June 30, 2024 were accrued at 5% and 1.25% of the profit before tax, respectively, while the employee compensation and director remuneration for the three months and six months ended June 30, 2023 were accrued at 5% and 1% of the profit before tax, respectively. The amounts are listed below:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Compensation of employees	\$ 23,656	\$ 14,295	\$ 40,067	\$ 31,395
Remuneration to directors	5,914	2,859	10,017	6,279

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The amounts of employee compensation and director remuneration for the years 2023 and 2022 approved by the board of directors on March 6, 2024 and March 15, 2023, respectively, are as follows:

	2023	2022
Compensation of employees	\$56,037	\$53,992
Remuneration to directors	11,207	10,798

For the years ended December 31, 2023 and 2022, there is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. Income tax

(1) Major components of income tax expense are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Income tax for the period				
In respect of the period	\$ 48,398	\$ 60,034	\$121,634	\$122,568
Income tax on				
unappropriated earnings	2,114	3,722	2,114	3,722
Adjustments for prior years	(406)	(1,262)	4,813	(1,262)
Deferred tax				
In respect of the period	7,958	5,683	15,732	12,795
Adjustments for prior years	(309)	-	(309)	-
	<u>\$ 57,755</u>	<u>\$ 68,177</u>	<u>\$143,984</u>	<u>\$137,823</u>

(2) Income tax benefit (expense) recognized in other comprehensive income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
In respect of the period				
Translation of foreign operations	(\$ 2,153)	(\$ 769)	(\$ 7,079)	\$ 364

(3) Income tax assessments

The income tax returns of the Corporation through 2022 and of its domestic subsidiaries from 2021 to 2022 have been assessed by the tax authorities.

25. Earnings per share

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

(1) Net income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net profit attributable to owners of the Corporation	<u>\$ 393,995</u>	<u>\$ 214,564</u>	<u>\$ 650,067</u>	<u>\$ 477,339</u>

(2) Weighted average number of ordinary shares outstanding (in thousands of shares)

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	149,266	121,269	144,540	121,269
Add: Employees' compensation issued	<u>272</u>	<u>311</u>	<u>421</u>	<u>575</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>149,538</u>	<u>121,580</u>	<u>144,961</u>	<u>121,844</u>

The Corporation may settle the compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the last 2 years.

The capital structure of the Group consists of net debt and equity of the Group.

27. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The Group's management considers that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values.

(2) Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at FVTPL</u>				
Foreign listed shares	<u>\$ 3,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,636</u>
<u>Financial assets measured at FVTOCI</u>				
Domestic and foreign listed marketable securities - investments in equity instruments	\$ 3,298,251	\$ -	\$ -	\$ 3,298,251
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>146,063</u>	<u>146,063</u>
	<u>\$ 3,298,251</u>	<u>\$ -</u>	<u>\$ 146,063</u>	<u>\$ 3,444,314</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at FVTPL</u>				
Foreign listed shares	<u>\$ 5,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,144</u>
<u>Financial assets measured at FVTOCI</u>				
Domestic and foreign listed marketable securities - investments in equity instruments	\$ 249,821	\$ -	\$ -	\$ 249,821
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>137,921</u>	<u>137,921</u>
	<u>\$ 249,821</u>	<u>\$ -</u>	<u>\$ 137,921</u>	<u>\$ 387,742</u>

June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at FVTPL</u>				
Foreign listed shares	<u>\$ 10,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,725</u>

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	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTOCI				
Domestic and foreign listed marketable securities - investments in equity instruments	\$ 171,210	\$ -	\$ -	\$ 171,210
Private - placement shares of domestic listed companies	-	419,093	-	419,093
Domestic and foreign unlisted shares	-	-	128,067	128,067
	<u>\$ 171,210</u>	<u>\$419,093</u>	<u>\$128,067</u>	<u>\$ 718,370</u>

For the six-month periods ended June 30, 2024 and 2023, there was no transfer between Level 1 and Level 2 fair value measurements.

2. Reconciliation of Level 3 fair value measurements of financial instruments

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 137,921	\$ 115,036
Recognition in other comprehensive income	8,142	13,031
Ending balance	<u>\$ 146,063</u>	<u>\$ 128,067</u>

3. Valuation techniques and inputs applied for Level 2 fair value measurement

Type of financial instrument	Valuation approaches and inputs
Private - placement shares of domestic listed companies	Refers to the transaction price supported by observable market prices and the liquidity discounts

4. Valuation techniques and inputs for Level 3 fair value measurement

The fair values of domestic and foreign unlisted shares were assessed and determined by the management with reference to latest net value and liquidity discounts, or by evaluating the total value of individual assets and liabilities covered by evaluation of the underlying shares to reflect the overall value of the underlying shares.

(3) Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$15,654,806	\$15,339,858	\$13,288,962
Financial assets measured at FVTPL	3,636	5,144	10,725
Financial assets measured at FVTOCI	3,444,314	387,742	718,370
<u>Financial liabilities</u>			
At amortized cost (Note 2)	9,155,159	8,231,042	6,861,090

Note 1: The balances comprise cash and cash equivalents, notes and accounts receivable, other receivables, receivables for agency transactions (classified under other current assets), other financial assets, refundable deposits, etc.

Note 2: The balances comprise notes and accounts payable, other payables, other financial liabilities, payables for agency transactions (classified under other current liabilities), guarantee deposits received, etc.

(4) Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's management.

1. Market risk

The Group's activities exposed it primarily to the market risks are as follows:

(1) Foreign currency risk

There was no material impacts on the Group's foreign currency denominated monetary assets and monetary liabilities.

(2) Interest rate risk

The carrying amounts of the Group's financial assets exposed to cash flow interest rate risk at the end of the reporting period were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash flow interest rate risk			
Financial assets	\$9,742,304	\$10,446,694	\$9,226,958

In addition, the Group assessed that the time deposits and lease liabilities at fixed-rate did not have material fair value risks.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rate risk on non-derivatives at the end of the reporting period. For assets at floating interest rates, the analysis was made assuming the amounts of assets outstanding at the end of the reporting period had been outstanding for the entire reporting period.

If interest rates had increased/decreased by 1% with all other variables held constant, the Group's pre-tax profit for the six-month periods ended June 30, 2024 and 2023 would have increased/decreased by NTD 48,712 thousand and NTD 46,135 thousand, respectively.

(3) Other price risk

The Group was exposed to equity price risk arising from its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had increased/decreased by 1%, the Group's pre-tax profit for the six-month periods ended June 30, 2024 and 2023 would have increased/decreased by NTD 36 thousand and NTD 107 thousand, respectively, as a result of increased/decreased fair values of financial assets at fair value through profit or loss.

If equity prices had increased/decreased by 1%, the Group's pre-tax other comprehensive income for the six-month periods ended June 30, 2024 and 2023 would have increased/decreased by NTD 34,443 thousand and NTD 7,184 thousand, respectively, as a result of increased/decreased fair values of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss on the Group resulting from a counterparty's default on its contractual obligations. At the end of the reporting period, the Group's largest value at risk for credit risk was equal to the carrying amount of financial assets stated on its consolidated balance sheet.

Please refer to Note 7 for the credit risk management policy adopted by the Group.

The Group's exposure to credit risk was mainly concentrated in the accounts receivable, other receivables and receivables for agency transactions (classified under other current assets) from the following groups:

	June 30, 2024	December 31, 2023	June 30, 2023
Group A	\$ 396,199	\$ 372,443	\$ 360,706
Group B	255,324	241,909	234,299
Group C	178,222	154,148	126,679
Group D	141,452	144,886	136,835
	<u>\$ 971,197</u>	<u>\$ 913,386</u>	<u>\$ 858,519</u>

As of June 30, 2024, December 31 and June 30, 2023, the sums of accounts receivable, other receivables and receivables for agency transactions (classified under other current assets) from the aforementioned groups accounted for 27%, 33% and 38%, respectively.

3. Liquidity risk

The Group supports its operations and mitigates the effect of cash flow fluctuations by managing and maintaining sufficient cash and cash equivalents.

Liquidity risk on non-derivative financial liabilities

The maturity analysis for non-derivative financial liabilities was prepared using the undiscounted cash flows of financial liabilities from the earliest date on which the Group may be required to repay.

	Within 4 months	At least 5 months	1 year or longer	Total
June 30, 2024				
Non-interest bearing liabilities	\$ 8,933,771	\$ 128,897	\$ 101,868	\$ 9,164,536
Lease liabilities	<u>8,915</u>	<u>14,066</u>	<u>8,751</u>	<u>31,732</u>
	<u>\$ 8,942,686</u>	<u>\$ 142,963</u>	<u>\$ 110,619</u>	<u>\$ 9,196,268</u>
December 31, 2023				
Non-interest bearing liabilities	\$ 8,033,999	\$ 98,774	\$ 98,269	\$ 8,231,042
Lease liabilities	<u>12,067</u>	<u>17,739</u>	<u>17,704</u>	<u>47,510</u>
	<u>\$ 8,046,066</u>	<u>\$ 116,513</u>	<u>\$ 115,973</u>	<u>\$ 8,278,552</u>
June 30, 2023				
Non-interest bearing liabilities	\$ 6,655,908	\$ 112,693	\$ 99,118	\$ 6,867,719
Lease liabilities	<u>12,113</u>	<u>22,784</u>	<u>33,570</u>	<u>68,467</u>
	<u>\$ 6,668,021</u>	<u>\$ 135,477</u>	<u>\$ 132,688</u>	<u>\$ 6,936,186</u>

28. Related Party Transactions

Details of transactions between the Group and related parties were as follows:

(1) Related party name and category

Related Party Name	Related Party Category
Gloria Material Technology Corp.	Institutional director of the Company (since June 24, 2024)
Taiwan Taomee Co., Ltd.	Associate
Fun Yours Technology Co., Ltd.	Other related party (the investee in which the Corporation acts as a juristic-person director)
Asure Corporation	Other related party (the responsible person is a second-degree relative of the Corporation's chairman)
Miche Restaurant Co., Ltd.	Other related party (the responsible person is a second-degree relative of the Corporation's chairman)
Soft-World Arts and Culture Foundation	Other related party (the responsible person is the chairman of the Corporation)
Gamebase Digital Media Corporation	Other related party (became a related party on January 1, 2024)

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Related Party Name	Related Party Category
Green Bless Co., Ltd.	Other related party (became a related party on January 1, 2024)
Loftstar Interactive Entertainment Inc.	Other related party (became a related party on January 1, 2024)
TSG Hawks	Other related party (became a related party on June 24, 2024)
Star Travel Corp.	Other related party (became a related party on June 24, 2024)
KO, HSIU-YEN	Other related party (the spouse of the Corporation's chairman)
WANG, LI-CHUAN	Other related party (a second-degree relative of the Corporation's chairman)
WANG, CHUN-HSIUNG	Other related party (a second-degree relative of the Corporation's chairman)

(2) Operating revenue

Financial Statement Account	Related Party Category	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Sale of goods	Other related parties	\$ 17,508	\$ 8,554	\$ 36,378	\$ 27,537
Rendering of services	Associate	\$ 2,104	\$ 2,185	\$ 4,284	\$ 4,881
	Other related parties	750	242	1,347	353
		\$ 2,854	\$ 2,427	\$ 5,631	\$ 5,234

The selling price for the sale of goods to related parties was not significantly different from that of normal customers. The rendering of services, which was mainly from MyCard services, was recognized according to the terms in each agreement, and the payment term is monthly with 2-month promissory notes. Other payment terms to related parties were similar to those for third parties.

(3) Purchase

Related Party Category	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Other related parties	\$ 1,358	\$ 2,073	\$ 3,257	\$ 4,961

The Group purchased goods from the said related parties. Since the Group did not purchase similar products from non-related parties, it is not comparable. The payment terms were similar to those for other suppliers.

(4) Receivables from related parties

Financial Statement Account	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	Associate	\$ 2,041	\$ 1,952	\$ 1,493
	Other related parties	774	255	346
		<u>\$ 2,815</u>	<u>\$ 2,207</u>	<u>\$ 1,839</u>
Other receivables	Institutional director	\$ 157,300	\$ -	\$ -
	Other related parties	28,635	28,941	31,147
		<u>\$ 185,935</u>	<u>\$ 28,941</u>	<u>\$ 31,147</u>

Other receivables were mainly dividends receivable and receivables from the sales of the exclusive MyCard issued by the Corporation through these related parties.

The receivables from related parties outstanding were unsecured with no loss allowance recognized.

(5) Payables to related parties

Financial Statement Account	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Notes payable	Other related parties	\$ 456	\$ 780	\$ 626
Accounts payable	Other related parties	\$ 36	\$ 387	\$ 315
Other payables	Associate	\$ 14,532	\$ 12,541	\$ 9,798
	Other related parties	6,684	5	2
		<u>\$ 21,216</u>	<u>\$ 12,546</u>	<u>\$ 9,800</u>

Other payables were mainly the receipts from MyCard platform and points sales provided by the Group that should be paid to the game operators.

The payables to related parties outstanding were unsecured.

(6) Others

The expenses such as commission, rent, donation and miscellaneous expenses the Group paid to its related parties were recognized under operating expenses according to their nature.

Related Party Category	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Other related parties	<u>\$ 23,305</u>	<u>\$ 36,734</u>	<u>\$ 48,513</u>	<u>\$ 93,994</u>

(7) Remuneration to key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	\$ 22,153	\$ 18,113	\$ 43,181	\$ 38,392
Post-employment benefits	<u>157</u>	<u>167</u>	<u>314</u>	<u>334</u>
	<u>\$ 22,310</u>	<u>\$ 18,280</u>	<u>\$ 43,495</u>	<u>\$ 38,726</u>

29. Pledged Assets

Except as stated in other notes, the following assets of the Group were provided as collateral for the performance bond of various service agreements.

Item	June 30, 2024	December 31, 2023	June 30, 2023
Other financial assets – current			
Pledged demand deposits	\$ 3,240	\$ 3,469	\$ 12,399
Pledged time deposits	<u>51,000</u>	<u>51,000</u>	<u>51,000</u>
	<u>54,240</u>	<u>54,469</u>	<u>63,399</u>
Other financial assets – non-current			
Pledged time deposits	<u>24,000</u>	<u>15,000</u>	<u>-</u>
Property, plant, and equipment			
Land	109,463	109,463	109,463
Buildings	<u>71,279</u>	<u>72,413</u>	<u>73,547</u>
	<u>180,742</u>	<u>181,876</u>	<u>183,010</u>
Investment property			
Buildings	<u>2,708</u>	<u>2,755</u>	<u>2,803</u>
	<u>\$ 261,690</u>	<u>\$ 254,100</u>	<u>\$ 249,212</u>

30. Material Contingent Liabilities and Unrecognized Contractual Commitments

- (1) As of June 30, 2024, December 31 and June 30, 2023, the credit line committed for MyCard by banks were all NTD 800,000 thousand.
- (2) In February 2024, the Corporation received a commercial case complaint from the Commercial Court, in which 16 plaintiffs, including Wanin International Co., Ltd. filed a claim against the Corporation and six of its directors for joint damages in an amount of NTD 112,750 thousand, plus interest. As of the publication date of these consolidated financial statements, the commercial case is still under adjudication. According to the appointed attorney, the case should be dismissed by the Commercial Court without prejudice to the Corporation.

31. Additional disclosures

(1) Significant Transactions

1. Financing provided to others: None.
2. Endorsements/guarantees provided: None.
3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 1.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 2.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
9. Trading in derivative instruments: None.
10. Others: Intercompany relationships and significant intercompany transactions: Table 4.

(2) Information on Investees: Table 5.

(3) Information on Investments in the Mainland China

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.
2. Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None.
 - (3) The amount of property transactions and the amount of the resultant gains or losses: None.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
 - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position: None.
- (4) Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7.

32. Segment information

The information reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance focuses on the types of goods or services provided by each entity, in addition to the consideration of segment managers. The Group's reportable segments are as follows:

- . Soft-World International Corporation (the "Corporation") and Soft-World (Hong Kong) International Corporation - Digital content point service platforms, production and publication of computer game magazines, commercial advertising services and the retail sale of entertainment products and accessories for game software. The Corporation also acts as an agent for games and commercial software.
- . Chinese Gamer and its subsidiaries (Chinese Gamer) – Development of computer Software and providing online game service.
- . Gameflier International Corporation (Game Flier), Game First and its subsidiaries (Game First) - Agent of computer game and providing online game services.

- Neweb Technologies and its subsidiaries (Neweb Technologies) - Data Processing, data software and third-party payment services.
- Efun and its subsidiaries (Efun) - Advertisement design, packaging, placement and advertisement data processing services.
- Others- operating segments are the subsidiaries in the Group, for related information, refer to Note 12 since the subsidiaries do not meet the threshold and thus are not recognized as reportable segments.

Segment revenues and operating results

The following is an analysis of the Group's revenues and operating results by reportable segment:

	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Gameflir and Game First	Neweb Technologies	Efun	Others	Adjustments and eliminations	Total
January 1 to June 30, 2024								
Revenue from external customers	\$ 1,593,661	\$ 248,484	\$ 236,013	\$ 705,479	\$ 447,354	\$ 146,111	\$ -	\$ 3,377,102
Inter-segment revenue	45,522	1,494	2,293	14,145	8,968	77,279	(149,701)	-
Total revenue	<u>\$ 1,639,183</u>	<u>\$ 249,978</u>	<u>\$ 238,306</u>	<u>\$ 719,624</u>	<u>\$ 456,322</u>	<u>\$ 223,390</u>	<u>(\$ 149,701)</u>	<u>\$ 3,377,102</u>
Segment (loss) profit	<u>\$ 476,380</u>	<u>\$ 42,678</u>	<u>\$ 50,064</u>	<u>\$ 1,893</u>	<u>\$ 18,793</u>	<u>\$ 94,343</u>	<u>(\$ 47,770)</u>	\$ 636,381
Interest income								69,766
Other income								173,036
Other gains and losses								(10,269)
Finance costs								(487)
Share of the gain of associates accounted for using the equity method								1,142
Segment profit before tax								<u>\$ 869,569</u>
June 30, 2024								
Segment assets	<u>\$ 12,783,950</u>	<u>\$ 998,017</u>	<u>\$ 1,403,818</u>	<u>\$ 4,019,971</u>	<u>\$ 578,614</u>	<u>\$ 926,968</u>	<u>(\$ 324,050)</u>	<u>\$ 20,387,288</u>
January 1 to June 30, 2023								
Revenue from external customers	\$ 1,673,019	\$ 171,733	\$ 144,284	\$ 627,713	\$ 483,332	\$ 159,889	\$ -	\$ 3,259,970
Inter-segment revenue	24,668	6,002	6,037	9,962	7,058	64,160	(117,887)	-
Total revenue	<u>\$ 1,697,687</u>	<u>\$ 177,735</u>	<u>\$ 150,321</u>	<u>\$ 637,675</u>	<u>\$ 490,390</u>	<u>\$ 224,049</u>	<u>(\$ 117,887)</u>	<u>\$ 3,259,970</u>
Segment (loss) profit	<u>\$ 508,271</u>	<u>(\$ 17,819)</u>	<u>\$ 8,333</u>	<u>\$ 10,994</u>	<u>\$ 16,907</u>	<u>\$ 77,941</u>	<u>(\$ 32,763)</u>	\$ 571,864
Interest income								61,236
Other income								14,862
Other gains and losses								547
Finance costs								(831)
Share of the loss of associates accounted for using the equity method								(225)
Segment profit before tax								<u>\$ 647,453</u>
June 30, 2023								
Segment assets	<u>\$ 8,295,478</u>	<u>\$ 955,071</u>	<u>\$ 1,360,256</u>	<u>\$ 3,277,206</u>	<u>\$ 563,657</u>	<u>\$ 970,200</u>	<u>(\$ 117,153)</u>	<u>\$ 15,304,715</u>

Segment profit or loss refers to the profit (loss) earned by each segment excluding non-operating income and loss. This measure was provided to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

TABLE 1

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

STATEMENT OF MARKETABLE SECURITIES HELD

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Held Company Name	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	June 30, 2024				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Corporation	Stock							
	Userjoy Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income – noncurrent	562,482	\$ 52,255	1	\$ 52,255	
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income – noncurrent	539,021	40,319	1	40,319	
	China Communications Media Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income – noncurrent	103,949	-	1	-	
	Fun Yours Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income – noncurrent	2,587,387	144,117	12	144,117	
	Kuobrothers Corp.	-	Financial assets at fair value through other comprehensive income – noncurrent	625,207	12,911	2	12,911	
	Gameone.com Inc.	-	Financial assets at fair value through other comprehensive income – noncurrent	180,000	381	1	381	
	Gloria Material Technology Corp.	Institutional director of the parent company	Financial assets at fair value through other comprehensive income – noncurrent	62,920,000	3,045,328	10	3,045,328	
	Archosaur Games Inc.	-	Financial assets at fair value through profit or loss - noncurrent	668,000	<u>3,636</u>	-	<u>3,636</u>	
					<u>\$3,298,947</u>		<u>\$3,298,947</u>	
Intelligent Dragon Venture Capital Corporation	Stock							
	9Splay Entertainment Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income – noncurrent	608,983	\$ -	3	\$ -	
	Soft-World International Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income – noncurrent	9,998,000	<u>907,553</u>	6	<u>907,553</u>	Note
					<u>\$ 907,553</u>		<u>\$ 907,553</u>	
Neweb Technologies Co., Ltd.	Stock							
	Green World Hotels Co., Ltd.	-	Financial assets at fair value through other comprehensive income – noncurrent	45,725	\$ 2,940	-	\$ 2,940	
	Taiwan Easy Go	-	Financial assets at fair value through other comprehensive income – noncurrent	3,140,671	15,871	20	15,871	
	POMO Network INC.	-	Financial assets at fair value through other comprehensive income – noncurrent	175,000	<u>9,975</u>	4	<u>9,975</u>	
					<u>\$ 28,786</u>		<u>\$ 28,786</u>	
Global Concept Corporation	Stock							
	Ever Master Holdings Limited	-	Financial assets at fair value through other comprehensive income – noncurrent	25,000,000	<u>\$ 120,217</u>	33	<u>\$ 120,217</u>	

Note: The Corporation's shares held by the subsidiaries were treated as treasury shares, and for related information, please refer to Note 21.

TABLE 2

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

**AGGREGATE PURCHASES OR SALES OF THE SAME SECURITIES REACHING NTD 300 MILLION OR 20 PERCENT OF PAID-IN CAPITAL OR MORE
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

Company	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relation	Beginning balance		Acquisition		Disposal				Ending balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain/loss on Disposal	Shares	Amount (Note)
The Corporation	Stock Gloria Material Technology Corp.	Financial assets at fair value through other comprehensive income – noncurrent	-	-	-	\$ -	62,920,000	\$ 2,994,992	-	\$ -	\$ -	\$ -	62,920,000	\$ 3,045,328

Note: Including unrealized gains or losses on financial assets at fair value through other comprehensive income.

TABLE 3

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE SIX MONTHS ENDED JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Company name	Counterparty	Relation	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Receivables from related parties recovered after the reporting date	Amount provided as loss
					Amount	Action taken		
Soft-World International Corporation	Gloria Material Technology Corp.	Institutional director of the parent company Subsidiaries	\$157,300	-	\$-	-	\$157,300	\$-
Soft-World International Corporation	Gameflieger International Corporation		140,367 (Note)	-	-	-	920	-

Note: It is mainly dividends receivable, which were eliminated upon the consolidation of financial statements.

TABLE 4

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

**Intercompany relationships and significant intercompany transactions
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial statement account	Amount	Payment Terms	% of Total Operating Revenues (Assets) (%)
0	The Corporation	Chinese Gamer International Corporation	From parent company to subsidiary	Operating revenue	\$ 11,847	No significant difference from general transactions	-
0	The Corporation	Chinese Gamer International Corporation	From parent company to subsidiary	Accounts receivable	6,681	No significant difference from general transactions	-
0	The Corporation	Chinese Gamer International Corporation	From parent company to subsidiary	Other receivables	1,938	No significant difference from general transactions	-
0	The Corporation	Gameflier International Corporation	From parent company to subsidiary	Operating revenue	33,349	No significant difference from general transactions	1.00
0	The Corporation	Gameflier International Corporation	From parent company to subsidiary	Accounts receivable	11,116	No significant difference from general transactions	-
0	The Corporation	Gameflier International Corporation	From parent company to subsidiary	Other receivables	140,367	No significant difference from general transactions	1.00
0	The Corporation	Soft-World (Hong Kong) International Corporation	From parent company to subsidiary	Other receivables	57,895	No significant difference from general transactions	-
0	The Corporation	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	From parent company to subsidiary	Other receivables	11,116	No significant difference from general transactions	-
0	The Corporation	Efun International Corporation	From parent company to subsidiary	Other receivables	23,260	No significant difference from general transactions	-
0	The Corporation	Neweb Technologies Co., Ltd.	From parent company to subsidiary	Other receivables	1,766	No significant difference from general transactions	-
0	The Corporation	Re:Ad Media (Taiwan) Corporation	From parent company to subsidiary	Other receivables	4,526	No significant difference from general transactions	-
0	The Corporation	Game First International Corporation	From parent company to subsidiary	Accounts receivable	2,971	No significant difference from general transactions	-
0	The Corporation	Dynasty International Information Co., Ltd.	From parent company to subsidiary	Other receivables	2,500	No significant difference from general transactions	-
1	Chinese Gamer International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	39,009	No significant difference from general transactions	-
2	Gameflier International Corporation	Gameflier International (Beijing) Corporation	Between subsidiaries	Operating revenue	1,027	No significant difference from general transactions	-
2	Gameflier International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	80,158	No significant difference from general transactions	-
3	Zealot Digital International Corporation	The Corporation	From subsidiary to parent company	Operating revenue	10,672	No significant difference from general transactions	-
3	Zealot Digital International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	1,169	No significant difference from general transactions	-
3	Zealot Digital International Corporation	The Corporation	From subsidiary to parent company	Contract assets	21,659	No significant difference from general transactions	-
4	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Gameflier International Corporation	Between subsidiaries	Operating revenue	1,391	No significant difference from general transactions	-
4	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Neweb Technologies Co., Ltd.	Between subsidiaries	Operating revenue	2,291	No significant difference from general transactions	-
4	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Gameflier International Corporation	Between subsidiaries	Accounts receivable	1,691	No significant difference from general transactions	-
4	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Neweb Technologies Co., Ltd.	Between subsidiaries	Accounts receivable	1,141	No significant difference from general transactions	-
5	Efun International Corporation	Gameflier International Corporation	Between subsidiaries	Operating revenue	3,034	No significant difference from general transactions	-
5	Efun International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	10,628	No significant difference from general transactions	-
5	Efun International Corporation	Game First International Corporation	Between subsidiaries	Accounts receivable	10,603	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	The Corporation	From subsidiary to parent company	Operating revenue	10,220	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Between subsidiaries	Operating revenue	3,101	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Between subsidiaries	Accounts receivable	1,027	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Between subsidiaries	Other receivables	1,356	No significant difference from general transactions	-
7	Re:Ad Media (Taiwan) Corporation	Gameflier International Corporation	Between subsidiaries	Operating revenue	3,645	No significant difference from general transactions	-
7	Re:Ad Media (Taiwan) Corporation	Game First International Corporation	Between subsidiaries	Accounts receivable	7,191	No significant difference from general transactions	-
8	We Can Financial Technology Co., Ltd.	ezPay Co., Ltd.	Between subsidiaries	Operating revenue	4,605	No significant difference from general transactions	-
8	We Can Financial Technology Co., Ltd.	ezPay Co., Ltd.	Between subsidiaries	Accounts receivable	1,525	No significant difference from general transactions	-
9	Game First International Corporation	The Corporation	From subsidiary to parent company	Other receivables	11,997	No significant difference from general transactions	-
10	Dynasty International Information Co., Ltd.	The Corporation	From subsidiary to parent company	Operating revenue	1,309	No significant difference from general transactions	-
11	Yulon Online (Beijing) Technologies Co., Ltd.	Gameflier International (Beijing) Corporation	Between subsidiaries	Operating revenue	1,494	No significant difference from general transactions	-
12	Lung Hsiang Investment Co., Ltd.	Intelligent Dragon Venture Capital Corporation	Between subsidiaries	Other receivables	1,840	No significant difference from general transactions	-

TABLE 5

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shareholding at the end of the period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
						Shares	%	Carrying amount			
				June 30, 2024	January 1, 2024						
The Corporation	Chinese Gamer International Corporation	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	\$ 371,319	\$ 371,319	\$ 41,880,205	48	\$ 517,813	\$ 74,271	\$ 20,757	Subsidiary (Note 3)
The Corporation	Soft-World Technology Pte. Ltd.	Singapore	Manufacturing, processing, trading, agency, and design of various computer equipment, computer software, and peripherals.	8,959	8,959	390,000	100	15,629	610	610	Subsidiary (Note 3)
The Corporation	Gameflier International Corporation	Taiwan	Electronic Information Supply Services, etc.	218,017	218,017	28,332,800	98	728,294	35,502	34,979	Subsidiary (Note 3)
The Corporation	Global Concept Corporation	Samoa	Investing Company	295,068	295,068	9,631,253	100	443,733	2,682	2,682	Subsidiary (Note 3)
The Corporation	Game First International Corporation	Taiwan	Online gaming service	27,813	27,813	16,684,063	70	242,553	11,111	7,778	Subsidiary (Note 3)
The Corporation	Zealot Digital International Corporation	Taiwan	Electronic Information Supply Services, etc.	50,874	50,874	4,946,757	99	89,915	741	733	Subsidiary (Note 3)
The Corporation	Soft-World (Hong Kong) International Corporation	Hong Kong	Sale of game software	88,858	88,858	3,883,558	100	582,641	69,996	69,996	Subsidiary (Note 3)
The Corporation	Dynasty International Information Co., Ltd.	Taiwan	Design, development, and trading of computer software.	14,667	14,667	2,190,915	86	29,453	1,054	906	Subsidiary (Note 3)
The Corporation	Intelligent Dragon Venture Capital Corporation	Taiwan	Investing Company	100,000	100,000	11,524,445	13	14,360	89,712	(35)	Subsidiary (Note 3)
The Corporation	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Taiwan	Retail sale, wholesale and service of information software, etc.	13,812	13,812	3,019,709	90	115,573	9,360	8,424	Subsidiary (Note 3)
The Corporation	Neweb Technologies Co., Ltd.	Taiwan	Retail sale of computer software, computers and digital information supply services	510,567	510,567	38,104,043	50	517,617	13,380	6,749	Subsidiary (Note 3)
The Corporation	Efun International Corporation	Taiwan	Information software and data processing services and general advertising	91,364	91,364	16,016,347	80	286,323	18,419	14,740	Subsidiary (Note 3)
The Corporation	Lung Hsiang Investment Co., Ltd.	Taiwan	Investing Company	250,000	250,000	25,000,000	44	38,807	64,163	(1,027)	Subsidiary (Note 3)
The Corporation	Celad International Corp.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	17,500	17,500	477,273	32	102	95	30	Subsidiary (Note 3)
The Corporation	We Can Financial Technology Co., Ltd.	Taiwan	Financial system and equipment development business	27,824	27,824	5,106,000	51	5,292	(467)	(239)	Subsidiary (Note 3)
The Corporation	Joy Children Technology Co., Ltd.	Taiwan	Retail sale and wholesale of culture, education, musical instruments and educational entertainment supplies.	20,512	20,512	2,051,153	32	12,228	906	290	Note 1
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investing Company	96,942	96,942	3,041,698	100	262,082	5,090	5,090	Subsidiary (Note 3)
Chinese Gamer International Corporation	Walkfun International Corporation	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	15,000	15,000	1,500,000	100	16,820	108	108	Subsidiary (Note 3)
Chinese Gamer International Corporation	Celad International Corp.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	27,620	27,620	1,022,727	68	218	95	65	Subsidiary (Note 3)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shareholding at the end of the period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	January 1, 2024	Shares	%	Carrying amount			
Chinese Gamer International Corporation	Super Game Corporation	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	5,771	5,771	880,000	88	\$ 1,605	(\$ 28)	(\$ 25)	Subsidiary (Note 3)
Chinese Gamer International Corporation	Intelligent Dragon Venture Capital Corporation	Taiwan	Investing Company	100,000	100,000	11,524,445	13	206,156	89,712	11,707	Subsidiary (Note 3)
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Investment	109,300	109,300	70,000	100	40,015	(6,213)	(6,213)	Subsidiary (Note 3)
Chinese Gamer International Corporation	Funbear International Corp.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	16,552	16,552	1,600,000	100	16,645	96	96	Subsidiary (Note 3)
Chinese Gamer International Corporation	GameTopia Co. Ltd.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	30,994	30,994	3,784,063	65	52,787	15,099	9,846	Subsidiary (Note 3)
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	19,369	19,369	1,520,000	100	28,732	12,023	12,023	Subsidiary (Note 3)
Chinese Gamer International Corporation	Lung Hsiang Investment Co., Ltd.	Taiwan	Investing Company	168,000	168,000	16,800,000	30	347,355	64,163	18,979	Subsidiary (Note 3)
Taichigamer (B.V.I.) Co., Ltd.	Transasiagamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investing Company	94,264	94,264	2,976,934	100	255,623	5,255	5,255	Subsidiary (Note 3)
TransasiagamerCo.,Ltd.	Yulon Online (Beijing) Technologies Co., Ltd.	Beijing, China	Development and production of computer software and accessories; installation and repair of self-developed products and computer hardware; technology consulting and training; sale of self-developed products	69,569	69,569	-	100	230,699	5,560	5,560	Subsidiary (Note 3)
Star Diamond Universal Corporation	Dragon Gamer (HongKong) Co., Ltd.	Hong Kong	Online gaming service	109,300	109,300	350,000	100	40,015	(6,213)	(6,213)	Subsidiary (Note 3)
GameTopia Co. Ltd.	Gametopia (HK) Co. Limited	Hong Kong	Information software service	987	987	3,300	100	66,037	4,003	4,003	Subsidiary (Note 3)
Global Concept Corporation	Value Central Corporation	Samoa	Investing Company	45,452	45,452	1,450,000	100	20,466	289	289	Subsidiary (Note 3)
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Investment	179,788	179,788	6,453,621	100	226,803	(1,608)	(1,608)	Subsidiary (Note 3)
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investing Company	56,074	56,074	30,250	30	26,868	2,779	848	Note 1
Value Central Corporation	Picked United Development Limited	Hong Kong	Acquisition and licensing of game software	20,255	20,255	4,700,000	100	16,503	50	50	Subsidiary (Note 3)
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Taiwan	Distribution and operation of s-sports games.	21,342	21,342	2,941,520	100	8,420	(7)	(7)	Subsidiary (Note 3)
Intelligent Dragon Venture Capital Corporation	Sky Touch Co., Ltd.	Taiwan	Computer and Peripheral Equipment Manufacturing	20,002	20,002	673,915	31	1,650	12	4	Note 1
Neweb Technologies Co., Ltd.	ezPay Co., Ltd.	Taiwan	Third-party payment service	1,066,748	1,066,748	51,400,000	100	411,342	(21,307)	(21,063)	Subsidiary (Note 3)
Neweb Technologies Co., Ltd.	CS Technology Co. Ltd.	Taiwan	Information software	5,000	5,000	525,300	100	4,819	(753)	(753)	Subsidiary (Note 3)
Efun International Corporation	Re:Ad Media (Taiwan) Corporation	Taiwan	General Advertising Service	26,000	26,000	5,886,000	100	79,540	6,523	6,523	Subsidiary (Note 3)
Lung Hsiang Investment Co., Ltd.	Intelligent Dragon Venture Capital Corporation	Taiwan	Investing Company	566,000	566,000	65,228,357	74	751,998	89,712	66,297	Subsidiary (Note 3)

Note 1: Investments accounted for using the equity method.

Note 2: For the information on investees in Mainland China, please refer to Table 6.

Note 3: Eliminated upon the consolidation of financial statements.

TABLE 6**SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES**
**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net loss of the Investee	% Ownership of Direct or Indirect Investment	Investment losses (Note 1)	Carrying Amount at the End of the Period	Accumulated Repatriation of Investment Income at the End of the Period	Note
					Outward	Inward							
Gameflieger International (Beijing) Corporation	Development of techniques, transferring, service, consulting, training; production and sale of computer software and related hardware; internet information service	\$214,678	Investment through a holding company was registered in a third region.	\$ 186,300	\$ -	\$ -	\$ 186,300	(\$ 1,592)	100	(\$ 1,592)	\$ 221,574	\$ -	Note 2

Investor Company	Accumulated Outward Remittance for Investments in Mainland China at the End of the Period	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	\$ 186,300	\$ 332,198 (US\$10,936 thousand)	\$ 5,613,551

Note 1: Gains or losses on investment were recognized using the financial statements unreviewed by CPAs.

Note 2: Gameflieger International (Beijing) Corporation distributed the earnings amounting to RMB 10,719 thousand back to Gamers Grande Corporation in August 2010 and December 2022, and as of the end of June 2024, there was no repatriation of income to Taiwan.

Note 3: The difference of NTD 145,898 thousand between the accumulated outward remittance from Taiwan and the amount authorized by the Investment Commission mainly comprises investments without significant influence amounting to NTD 56,965 thousand and investments already sold whose authorization remains uncanceled, amounting to NTD 88,933 thousand.

TABLE 7**SOFT-WORLD INTERNATIONAL CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS****JUNE 30, 2024**

Name of Principle shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Gloria Material Technology Corp.	28,600,000	18.32
WANG, CHIN-PO	21,594,350	13.83
Wanin International Co., Ltd.	15,273,000	9.78
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	11,456,000	7.34
Intelligent Dragon Venture Capital Corporation	9,998,000	6.41

Note 1: The major shareholders in this table are shareholders holding 5% or more of the Corporation's common shares (including treasury shares) that are registered as book-entry securities, calculated by the Taiwan Depository & Clearing Corporation on the last business day of each quarter.

Note 2: Where a shareholder entrusts his or her shares held, the account administrated by the trustee under the settlor's name is separately disclosed. For insider shareholding filings required by the Securities and Exchange Act by shareholders holding more than ten percent of the total shares of the Corporation, his/her/its shareholding includes the shareholding under his/her/its name and the shareholding entrusted for which he/she/it has power to decide how to allocate the trust assets. The information on insider shareholding filings is available on the Market Observation Post System.