

Stock Code: 6811

ACER E-ENABLING SERVICE BUSINESS

INC. and Subsidiaries

Consolidated Financial Statements

With Independent Auditor's Review Report

For the Nine Months Ended September 30, 2024 and 2023

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Independent Auditors' Review Report

To the Board of Directors of ACER E-ENABLING SERVICE BUSINESS INC.:

Introduction

We have reviewed the accompanying consolidated balance sheets of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries (the “Group”) as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. The 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 (“IASs”) 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 of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 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’ review report are Wei-Ming Shih and Ching Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)
November 5, 2024

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Balance Sheet

September 30, 2024, December 31, 2023, and September 30, 2023

Unit: NTD thousand

		<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
Assets		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets:							
1100	Cash and cash equivalents (Note 6(1))	\$ 544,876	8	2,756,948	49	2,019,083	39
1140	Contract assets - current (Note 6(15) and 7)	119,184	2	94,209	2	95,654	2
1170	Notes and accounts receivable, net (Note 6(3) and (15))	3,536,760	53	2,159,668	38	2,482,729	48
1180	Accounts receivable - Related parties (Note 6(3), (15) and 7)	16,703	-	43,302	1	124,536	2
1206	Other receivables - Others	-	-	748	-	675	-
1300	Inventories (Note 6(4))	354,171	6	294,749	5	226,933	4
1410	Prepayments and other current assets	5,770	-	4,967	-	8,477	-
Total current assets		<u>4,577,464</u>	<u>69</u>	<u>5,354,591</u>	<u>95</u>	<u>4,958,087</u>	<u>95</u>
Non-current assets:							
1517	Financial liabilities measured at fair value through profit or loss - non-current (Note 6(2))	25,193	-	20,100	1	21,365	1
1550	Investment under equity method (Note 6(5))	9,219	-	9,738	-	7,642	-
1600	Property, plant and equipment (Note 6(6) and 7)	1,778,221	27	4,381	-	2,836	-
1755	Right-of-use assets (Note 6(7) and 7)	3,063	-	63	-	2,106	-
1780	Intangible assets (Note 6(8) and 7)	1,877	-	2,533	-	2,340	-
1840	Deferred income tax assets	42,502	1	42,502	1	40,974	1
1920	Refundable deposits	164,246	3	187,427	3	170,266	3
1990	Other non-current assets (Note 9)	10,372	-	-	-	-	-
Total non-current assets		<u>2,034,693</u>	<u>31</u>	<u>266,744</u>	<u>5</u>	<u>247,529</u>	<u>5</u>
Total assets		<u>\$ 6,612,157</u>	<u>100</u>	<u>5,621,335</u>	<u>100</u>	<u>5,205,616</u>	<u>100</u>

(continued next page)

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Balance Sheet (Continued)

September 30, 2024, December 31, 2023, and September 30, 2023

Unit: NTD thousand

		<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
Liabilities and equity		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current liabilities:							
2100	Short-term borrowings (Note 6(9))	\$ 1,150,000	17	-	-	-	-
2130	Contract liabilities (Note 6(15) and 7)	1,698,919	26	1,776,517	32	1,676,650	32
2170	Notes and accounts payable	960,980	15	1,074,362	19	951,943	18
	Accounts payable - Related parties						
2180	(Note 7)	61,576	1	117,372	2	94,766	2
2200	Other payables (Note 6(16))	366,238	6	434,759	8	401,341	8
	Other payables - Related parties (Note						
2220	7)	2,224	-	7,961	-	7,552	-
2230	Current income tax liabilities	43,565	1	73,788	1	46,153	1
	Lease liabilities - current (Note 6(10)						
2280	and 7)	1,323	-	63	-	2,146	-
2399	Other current liabilities	129,080	2	32,441	1	27,939	-
	Total of current liabilities	<u>4,413,905</u>	<u>68</u>	<u>3,517,263</u>	<u>63</u>	<u>3,208,490</u>	<u>61</u>
Non-current liabilities:							
2580	Lease liabilities - non-current (Note	1,756	-	-	-	-	-
	6(10) and 7)						
2640	Net defined benefit liabilities	139,545	2	138,734	2	133,272	3
2645	Guarantee deposits	3,668	-	2,846	-	2,985	-
	Total non-current liabilities	<u>144,969</u>	<u>2</u>	<u>141,580</u>	<u>2</u>	<u>136,257</u>	<u>3</u>
	Total liabilities	<u>4,558,874</u>	<u>70</u>	<u>3,658,843</u>	<u>65</u>	<u>3,344,747</u>	<u>64</u>
Equity (Note 6(13)):							
3110	Common stock	414,490	6	414,490	7	414,490	8
3200	Capital reserve	628,098	9	628,098	12	628,098	12
	Retained earnings:						
3310	Legal reserve	176,618	2	126,485	2	126,485	3
3320	Special reserves	46,395	1	37,867	1	37,867	1
3350	Undistributed earnings	826,830	13	801,947	14	694,323	13
3400	Other equity	(39,148)	(1)	(46,395)	(1)	(40,394)	(1)
	Total equity	<u>2,053,283</u>	<u>30</u>	<u>1,962,492</u>	<u>35</u>	<u>1,860,869</u>	<u>36</u>
	Total liabilities and equity	<u>\$ 6,612,157</u>	<u>100</u>	<u>5,621,335</u>	<u>100</u>	<u>5,205,616</u>	<u>100</u>

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the three months ended September 30, 2024 and 2023
For the nine months ended September 30, 2024 and 2023

Unit: NTD thousand

		For the three months ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		金 額	%	金 額	%	金 額	%	金 額	%
4000	Net revenue (Notes 6(15), 7 and 14)	\$ 2,178,131	100	1,790,115	100	6,704,104	100	5,830,445	100
5000	Cost of revenue (Notes 6(4), (8), (11), (16), 7, and 12)	<u>(1,893,439)</u>	<u>(87)</u>	<u>(1,532,703)</u>	<u>(86)</u>	<u>(5,829,581)</u>	<u>(87)</u>	<u>(5,044,010)</u>	<u>(87)</u>
	Gross profit	<u>284,692</u>	<u>13</u>	<u>257,412</u>	<u>14</u>	<u>874,523</u>	<u>13</u>	<u>786,435</u>	<u>13</u>
	Operating expenses (Notes 6(3), (6), (7), (8), (10), (11), (16), 7 and 12)								
6100	Selling expenses	(73,130)	(3)	(65,682)	(3)	(234,924)	(3)	(211,446)	(3)
6200	General and administrative expenses	(24,659)	(1)	(25,701)	(1)	(70,515)	(1)	(62,318)	(1)
6300	Research and development expenses	(15,208)	(1)	(12,861)	(1)	(44,197)	(1)	(42,856)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	<u>5,863</u>	<u>-</u>	<u>1,256</u>	<u>-</u>	<u>5,992</u>	<u>-</u>	<u>(692)</u>	<u>-</u>
	Total operating expenses	<u>(107,134)</u>	<u>(5)</u>	<u>(102,988)</u>	<u>(5)</u>	<u>(343,644)</u>	<u>(5)</u>	<u>(317,312)</u>	<u>(5)</u>
	Net operating profit	<u>177,558</u>	<u>8</u>	<u>154,424</u>	<u>9</u>	<u>530,879</u>	<u>8</u>	<u>469,123</u>	<u>8</u>
	Non-operating income and expenses (Note 6(5), (10), (17) and 7):								
7100	Interest revenue	483	-	4,691	-	7,290	-	17,564	1
7010	Other revenue	86	-	-	-	134	-	-	-
7020	Other gains and losses	(1,219)	-	12,832	1	3,214	-	11,300	-
7050	Financial cost	(3,007)	-	(12)	-	(3,414)	-	(68)	-
7770	Share of profit of affiliated companies under equity method	<u>1,428</u>	<u>-</u>	<u>(1,799)</u>	<u>-</u>	<u>588</u>	<u>-</u>	<u>(1,253)</u>	<u>-</u>
	Total non-operating income and expenses	<u>(2,229)</u>	<u>-</u>	<u>15,712</u>	<u>1</u>	<u>7,812</u>	<u>-</u>	<u>27,543</u>	<u>1</u>
	Net income before tax	175,329	8	170,136	10	538,691	8	496,666	9
7950	Less: Income tax expenses (Note 6(12))	<u>(35,253)</u>	<u>(1)</u>	<u>(33,777)</u>	<u>(2)</u>	<u>(102,831)</u>	<u>(1)</u>	<u>(102,962)</u>	<u>(2)</u>
	Net income for the period	<u>140,076</u>	<u>7</u>	<u>136,359</u>	<u>8</u>	<u>435,860</u>	<u>7</u>	<u>393,704</u>	<u>7</u>
	Other comprehensive income (Note 6(13)):								
8310	Items not reclassified into profit or loss								
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	3,797	-	(996)	-	5,093	-	(3,527)	-
8349	Income tax related to item that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total of items not reclassified into profit or loss	<u>3,797</u>	<u>-</u>	<u>(996)</u>	<u>-</u>	<u>5,093</u>	<u>-</u>	<u>(3,527)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign operations	557	-	1,377	-	2,154	-	1,000	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>557</u>	<u>-</u>	<u>1,377</u>	<u>-</u>	<u>2,154</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
	Other comprehensive income in the current period	<u>4,354</u>	<u>-</u>	<u>381</u>	<u>-</u>	<u>7,247</u>	<u>-</u>	<u>(2,527)</u>	<u>-</u>
	Total comprehensive income for the period	<u>\$ 144,430</u>	<u>7</u>	<u>136,740</u>	<u>8</u>	<u>443,107</u>	<u>7</u>	<u>391,177</u>	<u>7</u>
	Earnings per share (Unit: NTD, Note 6(14))								
9750	Basic earnings per share	<u>\$ 3.38</u>		<u>3.29</u>		<u>10.52</u>		<u>9.50</u>	
9850	Diluted earnings per share	<u>\$ 3.36</u>		<u>3.27</u>		<u>10.43</u>		<u>9.43</u>	

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries

Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2024 and 2023

Unit: NTD thousand

	Equity attributable to owners of the parent company										
	Retained earnings						Other equity				
							Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Re-measure-ment of defined benefit plan	Total	Total equity
Common stock Share capital	Capital reserve	Legal Reserves	Special Reserves	Unallocated Earnings	Total						
Balance as of January 1, 2023	\$ 414,490	628,098	82,807	52,846	640,186	775,839	-	(6,878)	(30,989)	(37,867)	1,780,560
Net income for the period	-	-	-	-	393,704	393,704	-	-	-	-	393,704
Other comprehensive income in the current period	-	-	-	-	-	-	1,000	(3,527)	-	(2,527)	(2,527)
Total comprehensive income for the period	-	-	-	-	393,704	393,704	1,000	(3,527)	-	(2,527)	391,177
Legal reserve	-	-	43,678	-	(43,678)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(310,868)	(310,868)	-	-	-	-	(310,868)
Special reserve	-	-	-	(14,979)	14,979	-	-	-	-	-	-
Balance as of September 30, 2023	\$ 414,490	628,098	126,485	37,867	694,323	858,675	1,000	(10,405)	(30,989)	(40,394)	1,860,869
Balance as of January 1, 2024	\$ 414,490	628,098	126,485	37,867	801,947	966,299	29	(11,670)	(34,754)	(46,395)	1,962,492
Net income for the period	-	-	-	-	435,860	435,860	-	-	-	-	435,860
Other comprehensive income in the current period	-	-	-	-	-	-	2,154	5,093	-	7,247	7,247
Total comprehensive income for the period	-	-	-	-	435,860	435,860	2,154	5,093	-	7,247	443,107
Appropriation approved by the stockholders:											
Legal reserve	-	-	50,133	-	(50,133)	-	-	-	-	-	-
Special reserve	-	-	-	8,528	(8,528)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(352,316)	(352,316)	-	-	-	-	(352,316)
Balance as of September 30, 2024	\$ 414,490	628,098	176,618	46,395	826,830	1,049,843	2,183	(6,577)	(34,754)	(39,148)	2,053,283

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2024 and 2023

Unit: NTD thousand

	For the nine months ended	
	September 30,	
	2024	2023
Cash flow from operating activities:		
Net income before tax for the period	\$ 538,691	496,666
Adjustments:		
Income and expenses		
Depreciation expense	11,779	18,373
Amortization expense	4,567	4,292
Expected credit impairment (reversed gain) loss	(5,992)	692
Interest expense	3,414	68
Interest revenue	(7,290)	(17,564)
Share of loss (profit) of affiliated companies under equity method	(588)	1,253
Total income and expense	5,890	7,114
Changes in assets and liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Contract assets	(24,975)	(19,738)
Notes and accounts receivable	(1,371,100)	(545,670)
Accounts receivable - related parties	26,599	(76,922)
Other receivable - related parties	-	4,500
Inventory	(59,422)	211,872
Prepayments and other current assets	(803)	(5,509)
Total net changes in assets related to operating activities	(1,429,701)	(431,467)
Net changes in liabilities related to operating activities:		
Accounts payable	(113,382)	(259,944)
Accounts payable - related parties	(55,796)	(8,954)
Other payables	(68,940)	(17,874)
Other payables - Related parties	(5,737)	(3,062)
Contract liabilities	(77,598)	59,089
Other current liabilities	96,639	8,443
Net defined benefit liability	811	(8,985)
Total net changes in liabilities related to operating activities	(224,003)	(231,287)
Total net changes in assets and liabilities related to operating activities	(1,653,704)	(662,754)
Total adjustment items	(1,647,814)	(655,640)
Cash inflow (outflow) from operations	(1,109,123)	(158,974)
Interest received	8,038	18,181
Interest paid	(2,995)	(68)
Income tax refunded (paid)	(133,054)	(123,146)
Net cash inflow (outflow) from operating activities	(1,237,134)	(264,007)

(continued on next page)

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statements of Cash Flows (continued from previous page)
January 1 to September 30, 2024 and 2023

Unit: NTD thousand

	For the nine months ended	
	September 30,	
	2024	2023
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(1,784,628)	(2,932)
Acquisition of intangible assets	(3,911)	(2,935)
Decrease in refundable deposits	23,181	14,024
Decrease of other financial assets	-	200,000
Increase of other non-current assets	(10,372)	-
Dividends received	1,107	1,890
Net cash inflows (outflows) from investing activities	(1,774,623)	210,047
Cash flow from financing activities:		
Increase in short-term borrowings	1,150,000	-
Lease principal repayment	(971)	(16,855)
Increase in guarantee deposits received	822	509
Cash dividends	(352,316)	(310,868)
Net cash (outflow) inflow from financing activities	797,535	(327,214)
Effect of exchange rate changes on cash and cash equivalents	2,150	999
Increase (decrease) in cash and cash equivalents in the current period	(2,212,072)	(380,175)
Cash and cash equivalents at beginning of period	2,756,948	2,399,258
Cash and cash equivalents at end of period	\$ 544,876	2,019,083

(Please refer to the attached Notes to the Consolidated Financial Statements)

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

**ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Notes to the Consolidated Financial Statements
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Unless otherwise stated, all amounts are in NTD thousand)**

I. Company history

ACER E-ENABLING SERVICE BUSINESS INC. (hereinafter referred to as the "Company") was established on February 22, 2012 with the approval of the Ministry of Economic Affairs. The registered address is 9F., No. 6, Section 4, Xinyi Road, Daan District, Taipei City. The Group is positioned as "the cloud company that best comprehends on-premise requirements, a generator of generative AI for enterprises." Having assisted more than 2,000 corporate clients, the Group has an extensive track record of working closely with organizations in the high-tech, government, finance, and manufacturing sectors. The Group provides a range of services that adhere to global benchmarks and meet the needs of large organizations. These services include creating software information system infrastructure, developing custom software and project strategies, creating applications with added value, and providing recommendations for system maintenance and backup contingencies. Generative AI, Copilot applications, cloud applications and managed services, and data governance and optimization are among the AI-driven products and services that we integrate. These initiatives accelerate the adoption of digital and cloud technologies by enterprise users, thereby bolstering their operational resilience in the midst of uncertainty. The Company is under the ultimate parent company, ACER INCORPORATED.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors on November 5, 2024.

III. Application of new, amended and revised standards and interpretations

- (I) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R. O. C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on the consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

- (II) The impact of the International Financial Reporting Standards (IFRS) endorsed by the Financial Supervisory Commission (FSC) that have not yet been adopted.

The Group has assessed the application of the following newly revised International Financial Reporting Standards, effective from January 1, 2025, and determined that they will not have a significant impact on the consolidated financial statements.

- Amendment to IAS 21 "Lack of Exchangeability"

- (III) The impact of IFRS issued by IASB but not yet endorsed by the FSC

IASB has issued and amended several standards and interpretations that have not yet been endorsed by the FSC. The following may be relevant to the Group:

<u>New or amended standards</u>	<u>Main amendments</u>	<u>Effective Date Announced by IASB</u>
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new standards introduce three types of income and expenses, two subtotals in the income statement, and a single note on management performance measures. These	2027/1/1

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

three amendments and enhancements provide guidance on how to disaggregate information in financial statements, laying the foundation for better and more consistent information for users, and will affect all companies.

- A more structured income statement: Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standards adopt a more structured income statement, introducing a newly defined "operating profit" subtotal and requiring that all income and expenses be categorized into three new distinct types according to the company's main business activities.
- Management Performance Measures (MPM): The new standards introduce the definition of management performance measures and require companies to include a single note in the financial statements explaining why each measure provides useful information, how it is calculated, and how it reconciles with amounts recognized in accordance with IFRS.
- Disaggregated Information: The new standards include guidance on how companies should enhance the grouping of information in financial statements. This includes guidelines on whether information should be included in the main financial statements or further disaggregated in the notes.

The Group is currently evaluating the impact of the aforementioned standards and interpretations on its financial situation and operating results. The related effects will be disclosed upon the completion of this assessment.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 - "Assets Sale or Contribution between an Investor and its Affiliate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures ”
- Amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to International Financial Reporting Standards (IFRS)

IV. Summary of material accounting policies

(I) Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC International and SIC Interpretations endorse and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following account policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4 of consolidated financial statements for the year ended December 31, 2023.

(II) Basis of consolidation

The principles for the preparation of consolidated financial statements are the same as those in consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4 of consolidated financial statements for the year ended December 31, 2023.

1. Subsidiaries included in the consolidated financial statements

			Percentage of equity held			
<u>Name of Investment Company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>	<u>Description</u>
The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd (EBSH)	Sales of Information Software and Information Consulting Services	100.00%	100.00%	100.00%	
The Company	Acer e-Enabling Service Business Viet Nam(EBVN)	Sales of Information Software and Information Consulting Services	100.00%			(Note 1)

Note 1: EBVN was established September 2024 and is expected to receive capital injection in the fourth quarter of 2024.

2. Subsidiaries not included in the consolidated financial statements: none.

(III) Classification of Current and Non-Current Assets and Liabilities

An asset is classified as current when one of the following criteria is met; all other assets are classified as non-current assets:

1. It is expected to be realized, sold, or consumed in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when one of the following criteria is met; all other liabilities are classified as non-current liabilities:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(IV) Employee benefits

The pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(V) Income tax

The income tax expenses have been prepared and disclosed in accordance with Paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expenses for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of consolidated financial statements for the year ended December 31, 2023.

VI. Significant accounting disclosures

Except the following disclosures, there was no material differences in the disclosures of significant accounting disclosures between the interim financial statements for the current period and the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of consolidated financial statements for the year ended December 31, 2023.

(I) Cash and cash equivalent

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Demand deposits and checking deposits \$	531,347	1,856,948	819,083
Time deposits with original maturity date of less than three months	<u>13,529</u>	<u>900,000</u>	<u>1,200,000</u>
	<u><u>\$ 544,876</u></u>	<u><u>2,756,948</u></u>	<u><u>2,019,083</u></u>

(II) Financial liabilities measured at fair value through profit or loss - non-current

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Equity instruments measured at fair value through other comprehensive income:			
Listed (OTC) company stocks	\$ 24,043	19,081	20,346
Unlisted (OTC) company stock	<u>1,150</u>	<u>1,019</u>	<u>1,019</u>
	<u>\$ 25,193</u>	<u>20,100</u>	<u>21,365</u>

The above equity instrument investments held by the Group are not held for trading purposes and have been designated as financial assets at fair value through other comprehensive income.

(III) Notes and accounts receivable - measured at amortized cost

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 15,480	9,916	4,027
Accounts receivable	3,525,849	2,160,313	2,487,072
Less: Loss allowance	<u>(4,569)</u>	<u>(10,561)</u>	<u>(8,370)</u>
	3,536,760	2,159,668	2,482,729
Accounts receivable - related parties	<u>16,703</u>	<u>43,302</u>	<u>124,536</u>
	<u>\$ 3,553,463</u>	<u>2,202,970</u>	<u>2,607,265</u>

In addition to estimating a 100% credit loss for individual accounts receivable with a potential default, the Group estimates the expected credit loss for all notes and accounts receivable using a simplified approach, which entails using the expected credit loss over the entire duration. Forward-looking information has been incorporated into this estimation. The expected credit loss of the Group's notes and accounts receivable is analyzed as follows:

<u>September 30, 2024</u>			
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance</u>
Current	\$ 3,418,053	0.04%	1,339
Past due 1 to 30 days	84,051	0.53%	444
Past due 31 to 60 days	29,752	1.60%	476
Past due 61 to 90 days	3,037	7.01%	213
Past due for 91 to 180 days	4,883	11.14%	544
Past due for more than 181 days	<u>1,553</u>	100.00%	<u>1,553</u>
	3,541,329		4,569
Individual assessor	<u>-</u>	100.00%	<u>-</u>
	<u>\$ 3,541,329</u>		<u>4,569</u>

<u>December 31, 2023</u>			
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance</u>
Current	\$ 1,952,833	0.06%	1,094
Past due 1 to 30 days	107,011	0.46%	497
Past due 31 to 60 days	75,283	2.18%	1,642
Past due 61 to 90 days	10,085	5.05%	509

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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Past due for 91 to 180 days	20,073	15.26%	3,063
Past due for more than 181 days	<u>4,944</u>	75.97%	<u>3,756</u>
	2,170,229		10,561
Individual assessor	<u>-</u>	100.00%	<u>-</u>
	<u>\$ 2,170,229</u>		<u>10,561</u>

	<u>September 30, 2023</u>		
	Gross	Weighted	
	carrying amount	average loss	Loss allowance
		rate	
Current	\$ 2,295,590	0.04%	1,027
Past due 1 to 30 days	148,098	0.46%	675
Past due 31 to 60 days	21,169	2.15%	456
Past due 61 to 90 days	14,950	6.37%	952
Past due for 91 to 180 days	7,447	19.00%	1,415
Past due for more than 181 days	<u>3,845</u>	100.00%	<u>3,845</u>
	2,491,099		8,370
Individual assessor	<u>-</u>	100.00%	<u>-</u>
	<u>\$ 2,491,099</u>		<u>8,370</u>

The Group's accounts receivables from related parties as of September 30, 2024, December 31, 2023 and September 30, 2023 had no expected credit loss and is analyzed as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current	15,733	27,317	121,670
Past due 1 to 30 days	970	15,960	2,866
Past due 31 to 60 days	<u>-</u>	<u>25</u>	<u>-</u>
	<u>\$ 16,703</u>	<u>43,302</u>	<u>124,536</u>

Movements of the allowance for notes and accounts receivable were as follows:

	<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Opening balance	\$ 10,561	7,678
Recognized impairment loss (reversed gain)	(5,992)	692
Closing balance	<u>\$ 4,569</u>	<u>8,370</u>

(IV) Inventory

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Merchandise inventory	<u>\$ 354,171</u>	<u>294,749</u>	<u>226,933</u>

The inventory related expenses recognized in the current period recognized in the cost of goods sold are as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cost of sold inventories	\$ 1,804,640	1,469,486	5,584,834	4,848,206

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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Inventory valuation losses (recovered gain)	929	(622)	(4,322)	(1,545)
	\$ 1,805,569	1,468,864	5,580,512	4,846,661

Inventory valuation losses are recognized as inventory write-downs to net realizable value at the end of the period.

The gain on the reversal of inventory valuation losses was due to the sale of inventories for which an allowance for valuation losses had been provided at the beginning of the period, resulting in a reduction in the recognized allowance for valuation losses.

(V) Investments accounted using the equity method

	September 30, 2024	December 31, 2023	September 30, 2023
Book value of equity in affiliated companies at the ending	\$ 9,219	9,738	7,642
	For the nine months ended September 30		
	2024	2023	
Attributable to the Group:			
Net profit (loss) for the period	\$ 588	(1,253)	
Other comprehensive income	-	-	
Total comprehensive income/loss	\$ 588	(1,253)	

(VI) Property, plant and equipment

The details of changes in the cost and accumulated depreciation of the Group's property, plant and equipment are as follows:

	Land	Buildings	Transportation equipment	Office equipment	Other equipment	Total
Cost:						
Balance on January 1, 2024	\$ -	-	658	12,273	4,983	17,914
Additions	1,031,866	747,963	-	2,361	2,438	1,784,628
Disposals	-	-	-	(153)	-	(153)
Other reclassification and effect of exchange rate changes	-	-	-	5	-	5
Balance as of September 30, 2024	\$ 1,031,866	747,963	658	14,486	7,421	1,802,394
Balance as of January 1, 2023	\$ -	-	1,694	8,595	4,983	15,272
Additions	-	-	-	2,859	73	2,932
Disposals	-	-	(1,036)	(794)	-	(1,830)
Other reclassification and effect of exchange rate changes	-	-	-	-	1	1
Balance as of September 30, 2023	\$ -	-	658	10,660	5,057	16,375
Accumulated depreciation:						
Balance on January 1, 2024	\$ -	-	621	8,271	4,641	13,533
Current depreciation	-	8,652	37	1,635	468	10,792
Other reclassification and effect of exchange rate changes	-	-	-	(153)	-	(153)
Disposals	-	-	-	1	-	1

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Balance as of September 30, 2024	\$ -	<u>8,652</u>	<u>658</u>	<u>9,754</u>	<u>5,109</u>	<u>24,173</u>
Balance as of January 1, 2023	\$ -	-	1,547	8,305	3,883	13,735
Current depreciation	-	-	83	962	589	1,634
Disposals	-	-	(1,036)	(794)	-	(1,830)
Balance as of September 30, 2023	\$ -	<u>-</u>	<u>594</u>	<u>8,473</u>	<u>4,472</u>	<u>13,539</u>
Carrying amounts:						
September 30, 2024	<u>\$ 1,031,866</u>	<u>739,311</u>	<u>-</u>	<u>4,732</u>	<u>2,312</u>	<u>1,778,221</u>
January 1, 2024	<u>\$ -</u>	<u>-</u>	<u>37</u>	<u>4,002</u>	<u>342</u>	<u>4,381</u>
September 30, 2023	<u>\$ -</u>	<u>-</u>	<u>64</u>	<u>2,187</u>	<u>585</u>	<u>2,836</u>

For operational purposes, the Group acquired land valued at NTD 1,031,866 thousand and buildings and structures valued at NTD 747,963 thousand on March 21, 2024, to be used as its office building. As of September 30, 2024, all related payments have been fully settled.

(VII) Right-of-use assets

	<u>Buildings and structures</u>
Cost of right-of-use assets:	
Balance as of January 1, 2024	\$ 47,991
Additions	3,987
Decrease	(47,991)
Balance as of September 30, 2024	<u>\$ 3,987</u>
Balance as of January 1, 2023 (i.e. balance on September 30, 2023)	<u>\$ 47,991</u>
Accumulated depreciation of right-of-use assets:	
Balance on January 1, 2024	\$ 47,928
Depreciation	987
Decrease	(47,991)
Balance as of September 30, 2024	<u>\$ 924</u>
Balance as of January 1, 2023	\$ 29,146
Depreciation	16,739
Balance as of September 30, 2023	<u>\$ 45,885</u>
Carrying amounts:	
September 30, 2024	<u>\$ 3,063</u>
January 1, 2024	<u>\$ 63</u>
September 30, 2023	<u>\$ 2,106</u>

(VIII) Intangible assets

Changes in the cost and accumulated amortization of the Group's intangible assets are as follows:

	<u>Computer software</u>
Cost:	
Balance on January 1, 2024	\$ 24,313
Additions	3,911
Balance as of September 30, 2024	<u>\$ 28,224</u>
Balance as of January 1, 2023	\$ 22,243

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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Additions	2,935
Written off	(137)
Balance as of September 30, 2023	<u>\$ 25,041</u>
Accumulated amortization:	
Balance on January 1, 2024	\$ 21,780
Amortization	4,567
Balance as of J September 30, 2024	<u>\$ 26,347</u>
Balance as of January 1, 2023	\$ 18,546
Amortization	4,292
Written off	(137)
Balance as of September 30, 2023	<u>\$ 22,701</u>
Carrying amounts:	
September 30, 2024	<u>\$ 1,877</u>
January 1, 2024	<u>\$ 2,533</u>
September 30, 2023	<u>\$ 2,340</u>

The amortization expense of intangible assets is presented in the following items in the statement of comprehensive income:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating cost	\$ -	-	-	33
Operating expenses	<u>1,503</u>	<u>1,349</u>	<u>4,567</u>	<u>4,259</u>
	<u>\$ 1,503</u>	<u>1,349</u>	<u>4,567</u>	<u>4,292</u>

(IX) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	<u>\$ 1,150,000</u>	<u>\$ -</u>	<u>\$ -</u>
Unused credit facilities	<u>\$ 350,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Interest rate	<u>1.89%~2.04%</u>	<u>-</u>	<u>-</u>

(X) Lease liabilities

1. The carrying amount of the Group's lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u>\$ 1,323</u>	<u>\$ 63</u>	<u>\$ 2,146</u>
Non-current	<u>\$ 1,756</u>	<u>-</u>	<u>\$ -</u>

Please refer to Note 6(19) Financial Risk Management for maturity analysis.

2. The amounts recognized in profit and loss are as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	<u>\$ 12</u>	<u>12</u>	<u>38</u>	<u>68</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Expenses relating to leases of low-value assets	<u>\$ 26</u>	<u>323</u>	<u>256</u>	<u>491</u>
Expenses relating to short-term leases	<u>\$ 1,015</u>	<u>33</u>	<u>7,156</u>	<u>33</u>

3. The amounts recognized in the statement of cash flows for the Group were as follows:

	<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	<u>\$ 8,421</u>	<u>17,447</u>

4. Important lease terms:

The Group leases buildings and structures for a period of 1 to 5 years. In addition, the Group leased some of the offices with a lease term of less than one year, and the leases were short-term leases; in addition, some of the offices and miscellaneous equipment rented were in line with low-value leases; therefore, these leases were exempted from recognition Its related right-of-use assets and lease liabilities.

(XI) Employee benefits

1. Defined benefit plan

The Group believes that there was no material volatility in the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The pension expenses recognized in profit or loss for the Group were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating cost	\$ 242	259	728	779
Operating expenses	<u>497</u>	<u>519</u>	<u>1,491</u>	<u>1,550</u>
	<u>\$ 739</u>	<u>778</u>	<u>2,219</u>	<u>2,329</u>

2. Definite contribution plan

The Group's pension expense under the defined contribution plan for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating cost	\$ 1,394	1,289	4,074	3,790
Operating expenses	<u>2,761</u>	<u>2,655</u>	<u>8,104</u>	<u>7,585</u>
	<u>\$ 4,155</u>	<u>3,944</u>	<u>12,178</u>	<u>11,375</u>

(XII) Income tax

1. The components of income tax expense were as follows:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Current tax expense	<u>\$ 35,253</u>	<u>33,777</u>	<u>102,831</u>	<u>102,962</u>

2. For the nine months ended September 30, 2024 and 2023, there were no income tax recognized in equity and other comprehensive income.
3. The company's income tax returns for the years through 2022 were assessed by tax authority.

(XIII) Capital and other equity

1. Common stock capital

The Company's authorized capital amounted to NTD600,000 thousand at NTD10 par value per share on September 30, 2024, December 31, 2023 and September 30, 2023. The Company had 41,449 thousand shares issued, all of which were common shares.

The adjustment table for the outstanding common shares of the Company is as follows (expressed in thousand shares):

	For the nine months ended September 30	
	2024	2023
Opening balance (Closing balance)	<u>41,449</u>	<u>41,449</u>

2. Capital reserve

The balance of the Company's capital reserves is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Issued stock premium	\$ 621,725	621,725	621,725
Employee share warrants	6,373	6,373	6,373
	<u>\$ 628,098</u>	<u>628,098</u>	<u>628,098</u>

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

3. Retained earnings and dividend policy

(1) Earnings distribution

Pursuant to the Company's Articles of Incorporation, if there is a profit in the final accounting, the tax should be paid first, the past losses should be covered, and then 10% of the legal reserve should be appropriated. However, when the legal reserve amounts to the total paid-in capital, no this limit. For the appropriation or reversal of the special reserve in accordance with the laws or regulations or the requirements of the competent authority, the remaining retained earnings together with the undistributed earnings of the previous year may be submitted to the shareholders' meeting for a resolution on the distribution of an earnings appropriation.

(2) Legal reserve

Pursuant to the Company Act, when the Company has no losses, the Company may, upon resolution of the shareholders' meeting, distribute new shares or cash out of the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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(3) Special reserves

According to the regulations of the FSC, when the Company distributes the earnings available for distribution, for the net amount debited to other shareholders' equity in the current year, the net profit after tax of the current period plus the item other than the net profit of the current period is included in the undistributed earnings of the current period and the prior undistributed earnings are made into special reserve; if the other shareholders' equity deduction amount is accumulated in the prior period, the same amount of special reserve shall be appropriated from the prior undistributed earnings and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

(4) Dividend policy

The Company's dividend policy is based on the current and future development plans, the investment environment, capital needs, domestic and international competition, and the interests of shareholders. Each year, no less than 10% of the distributable earnings is appropriated. Shareholders' bonus may be distributed in the form of shares or cash. In order to achieve a balanced and stable dividend policy, the cash dividends of the Company when dividends are distributed shall not be less than 10% of the total dividends, except for the resolution of the board of directors not to distribute the dividends and the approval of the shareholders' meeting.

When the Company has no earnings, it shall not distribute dividends and bonuses. However, based on the Company's financial, business, and operational considerations, all or part of the legal reserve and capital reserve may be distributed according to laws or regulations or as required by the competent authorities.

The amounts of dividends for the distribution of earnings for the fiscal years 2023 and 2022 were approved by the Annual General Meeting of shareholders on June 5, 2024 and June 9, 2023, respectively, as follows.:

	<u>2023</u>		<u>2022</u>	
	<u>Dividends per share (NTD)</u>	<u>Amount</u>	<u>Dividends per share (NTD)</u>	<u>Amount</u>
Dividends distributed to common stock shareholders:				
Cash	\$ 8.50	<u>352,316</u>	7.50	<u>310,868</u>

4. Other equity (net amount after tax)

	<u>Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income</u>	<u>Exchange differences on translation of financial statements of foreign operations</u>	<u>Re- measurement of defined benefit plan</u>	<u>Total</u>
Balance on January 1, 2024	\$ 29	(11,670)	(34,754)	(46,395)
Changes in fair value of financial assets measured at fair value through other comprehensive income	-	5,093	-	5,093
Exchange differences on translation of foreign operations	2,154	-	-	2,154
Balance as of September 30, 2024	<u>\$ 2,183</u>	<u>(6,577)</u>	<u>(34,754)</u>	<u>(39,148)</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Balance as of January 1, 2023	\$	-	(6,878)	(30,989)	(37,867)
Changes in fair value of financial assets measured at fair value through other comprehensive income		-	(3,527)	-	(3,527)
Exchange differences on translation of foreign operations		1,000	-	-	1,000
Balance as of September 30, 2023	\$	<u>1,000</u>	<u>(10,405)</u>	<u>(30,989)</u>	<u>(40,394)</u>

(XIV) Earnings per share

1. Basic earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Net profit attributable to the Company's common stock shareholders	\$ <u>140,076</u>	<u>136,359</u>	<u>435,860</u>	<u>393,704</u>
Weighted average number of outstanding common stock (shares in thousands)	<u>41,449</u>	<u>41,449</u>	<u>41,449</u>	<u>41,449</u>
Basic earnings per share (NTD)	\$ <u>3.38</u>	<u>3.29</u>	<u>10.52</u>	<u>9.50</u>

2. Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Net profit attributable to the Company's common stock equity holders	\$ <u>140,076</u>	<u>136,359</u>	<u>435,860</u>	<u>393,704</u>
Weighted average number of outstanding common stock (basic) (shares in thousands)	41,449	41,449	41,449	41,449
Effect of potential dilutive ordinary shares (shares in thousands):				
The effect of employees' remuneration	<u>265</u>	<u>228</u>	<u>333</u>	<u>319</u>
Weighted average number of common shares outstanding (diluted) (thousand shares)	<u>41,714</u>	<u>41,677</u>	<u>41,782</u>	<u>41,768</u>
Diluted earnings per share (NTD)	\$ <u>3.36</u>	<u>3.27</u>	<u>10.43</u>	<u>9.43</u>

(XV) Revenue from customer contracts

1. Breakdown of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Main product/service lines:				
Cloud services and a large number of software services	\$ 1,440,430	1,031,262	4,696,432	3,626,559
Application development and other software services	440,316	502,311	1,191,571	1,397,087

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Value-added products	297,385	256,542	816,101	806,799
	<u>\$ 2,178,131</u>	<u>1,790,115</u>	<u>6,704,104</u>	<u>5,830,445</u>

2. Contract balance

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes and accounts receivable (including related parties)	\$ 3,558,032	2,213,531	2,615,635
Less: Loss allowance	(4,569)	(10,561)	(8,370)
	<u>\$ 3,553,463</u>	<u>2,202,970</u>	<u>2,607,265</u>
Contract assets	<u>\$ 119,184</u>	<u>94,209</u>	<u>95,654</u>
Contract liabilities	<u>\$ 1,698,919</u>	<u>1,776,517</u>	<u>1,676,650</u>

Please refer to Note 6(3) for the disclosure of notes and accounts receivable and the impairment thereof.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the Group transfers goods or services to customers to meet performance obligations and when the customer makes payment.

(XVI) Remuneration to employees and directors

According to the Company's Articles of Incorporation, if the Company makes a profit in the year, after the amount of the profit is retained to offset the accumulated losses, no less than 2% of the balance shall be set aside as employee's remuneration, and no more than 50% of the total profit may be set aside no more than 0.8% as remuneration to directors. The employee compensation in the preceding paragraph may be paid in cash or shares, and the recipients of the remuneration include the employees of the controlling or subordinate companies who meet certain criteria.

The amounts of employee compensation for the periods from July 1 to September 30 and January 1 to September 30, 2024, and 2023, were NTD 20,913 thousand, NTD 15,635 thousand, NTD 65,852 thousand and NTD 58,720 thousand, respectively; the amounts of directors' remuneration were both NT\$0 thousand. These amounts are based on the pre-tax net profit for each period, before deducting the remuneration of employees and remuneration of directors and multiplied by the percentage of the remuneration of employees and directors proposed to be distributed by the Company, and are reported as operating expenses for each period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year.

The amounts of employee compensation for 2023, and 2022, were NTD 78,000 thousand and NTD 71,000 thousand, respectively; the amounts of directors' remuneration were NTD 800 thousand and NTD 700 thousand, respectively. There is no discrepancy between the estimated amount of the aforementioned remuneration and the amount resolved by the Company's board of directors, and all are paid in cash. Relevant information is available on the Market Observation Post System.

(XVII) Non-operating income and expenses

1. Interest revenue

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	2024	2023	2024	2023
Interest on bank deposits	\$ 481	4,691	7,288	17,562
Other interest income	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
	<u>\$ 483</u>	<u>4,691</u>	<u>7,290</u>	<u>17,564</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

2. Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Rental income	<u>\$ 86</u>	<u>-</u>	<u>134</u>	<u>-</u>

3. Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Net foreign exchange gains (losses)	\$ (1,429)	12,832	2,955	10,890
Others	<u>210</u>	<u>-</u>	<u>259</u>	<u>410</u>
	<u>\$ (1,219)</u>	<u>12,832</u>	<u>3,214</u>	<u>11,300</u>

4. Financial costs

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expense – bank loans	\$ 2,995	-	3,376	-
Interest on lease liabilities	<u>12</u>	<u>12</u>	<u>38</u>	<u>68</u>
	<u>\$ 3,007</u>	<u>12</u>	<u>3,414</u>	<u>68</u>

(XVIII) Fair value of financial instruments

1. Types of financial instruments

(1) Financial assets

	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities measured at fair value through profit or loss	\$ 25,193	20,100	21,365
Financial assets measured at amortized cost:			
Cash and cash equivalents	544,876	2,756,948	2,019,083
Notes and accounts receivable (including related party)	3,553,463	2,202,970	2,607,265
Other receivables (including related parties)	-	748	675
Refundable deposits	<u>164,246</u>	<u>187,427</u>	<u>170,266</u>
	<u>\$ 4,287,778</u>	<u>5,168,193</u>	<u>4,818,654</u>

(2) Financial liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities measured at amortized cost:			
Short-term borrowings	\$ 1,150,000	-	-
Notes and accounts payable (including related parties)	1,022,556	1,191,734	1,046,709
Other payables (including related parties)	368,462	442,720	408,893
Lease liabilities (including current and non-current)	<u>3,079</u>	<u>63</u>	<u>2,146</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Guarantee deposits	3,668	2,846	2,985
	\$ 2,547,765	1,637,363	1,460,733

2. Fair value information

(1) Financial instruments not measured at fair value

The management of the Group believes that the carrying amount of the financial assets and financial liabilities measured at amortized cost in the financial report approximates their fair value.

(2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis. The table below analyzes the financial instruments measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

- A. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- B. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- C. Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

September 30, 2024				
Fair value				
	Level 1	Level 2	Class III	Total
Financial liabilities measured at fair value through profit or loss:				
Stocks of domestic (OTC) companies	\$ 24,043	-	-	24,043
Unlisted (OTC) company stock	-	-	1,150	1,150
	\$ 24,043	-	1,150	25,193

December 31, 2023				
Fair value				
	Level 1	Level 2	Class III	Total
Financial liabilities measured at fair value through profit or loss:				
Stocks of domestic (OTC) companies	\$ 19,081	-	-	19,081
Unlisted (OTC) company stock	-	-	1,019	1,019
	\$ 19,081	-	1,019	20,100

September 30, 2023				
Fair value				
	Level 1	Level 2	Class III	Total
Financial liabilities measured at fair value through profit or loss:				
Stocks of domestic (OTC) companies	\$ 20,346	-	-	20,346
Unlisted (OTC) company stock	-	-	1,019	1,019
	\$ 20,346	-	1,019	21,365

There were no transfers among fair value hierarchies for the nine months ended September 30, 2024 and 2023.

(3) Movement in financial assets included in Level 3 fair value hierarchy:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

	Financial liabilities measured at fair value through profit or loss	
	For the nine months ended September 30	
	2024	2023
Opening balance	\$ 1,019	983
Total loss of profit:		
Recognized in other comprehensive income	131	36
Closing balance	<u>\$ 1,150</u>	<u>1,019</u>

The total profit or loss referred to above is reported in "Unrealized gain or loss on financial assets measured at fair value through other comprehensive income". The assets still held as of September 30, 2024 and 2023 are as follows:

	2024	2023
Total profit or loss		
Recognized in other comprehensive income (series reported under "Unrealized gain or loss on financial assets measured at fair value through other comprehensive income")	<u>\$ 131</u>	<u>36</u>

- (4) Valuation techniques and inputs applied to financial instruments measured at fair value
- A. For financial assets with standard terms and conditions that are traded in active markets, the fair value is determined by reference to market quotes, such as stocks of TWSE/TPEX listed companies.
- B. The fair value of the stocks of Level 3 unlisted companies is estimated by the market method, and the determination is based on recent fund-raising activities, the evaluation of companies of the same type, market conditions and other economic indicators. In addition, the significant unobservable input is mainly the liquidity discount. However, as the possible change of the liquidity discount will not result in significant potential financial impact, it is not intended to disclose its quantitative information.

(XIX) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk (including exchange rate risk and other price risk) due to its business activities. The Group's risk exposure information, the Group's policies and procedures for measuring and managing these risks, and the quantitative disclosure are disclosed in this note.

1. Credit risk

(1) Amount of maximum credit risk exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, derivative instruments, receivables from customers, other receivables and time deposit. The maximum exposure to credit risk is equal to the carrying amount of the Group's financial assets.

(2) Concentration of credit risk

The Group's cash is deposited in different financial institutions, and the credit risk exposed to each financial institution is controlled. As of September 30, 2024, December 31, 2023 and September 30, 2023, 39%, 29% and 34% of the balance of accounts receivable, respectively, were

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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mainly attributed to the five companies. The Group has established a credit policy, and analyzes the credit status of each customer individually to determine the credit limit according to the policy. It also regularly evaluates customers' financial status and uses insurance to reduce credit risks.

(3) Credit risk from receivables

For credit risk exposure information on notes receivable and accounts receivable, please refer to Note 6(3). Other financial assets measured at amortized cost include other receivables and refundable deposits. The above are all financial assets with low credit risk. Therefore, the allowance loss for the period is measured by the 12-month expected credit loss amount (for the description of how the consolidated company determines the low credit risk, please refer to Note 4(7) of the consolidated financial statements). Other receivables as of December 31, 2023 and September 30, 2023 were assessed to have no expected credit losses.

2. Liquidity risk

Liquidity risk is the risk that the Group may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The Group regularly monitors current and expected mid-term and long-term funding requirements and manages liquidity risk by maintaining sufficient cash and cash equivalents and bank financing facilities.

The following table explains the period analysis for the Group's financial liabilities with agreed repayment periods, which are based on the earliest date on which the Group may be required to repay, and it is compiled based on the undiscounted cash flows. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's unused borrowing facilities amounted to NTD 350,000 thousand, NTD 1,000,000 thousand, and NTD 1,000,000 thousand, respectively.

	Contract Cash flow	Within 1 year	1-2 years	2-5 years
September 30, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 1,153,883	1,153,883	-	-
Accounts payable (including related parties)	1,022,556	1,022,556	-	-
Other payables (including related parties)	368,462	368,462	-	-
Lease liabilities (including current and non-current)	3,134	1,360	1,360	414
Guarantee deposits	3,668	2,164	122	1,382
	\$ 2,551,703	2,548,425	1,482	1,796
December 31, 2023				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	\$ 1,191,734	1,191,734	-	-
Other payables (including related parties)	442,720	442,720	-	-
Lease liabilities (including current and non-current)	63	63	-	-
Guarantee deposits	2,846	2,070	154	622
	\$ 1,637,363	1,636,587	154	622
September 30, 2023				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	\$ 1,046,709	1,046,709	-	-
Other payables (including related parties)	408,893	408,893	-	-
Lease liabilities (including current and non-current)	2,148	2,148	-	-
Guarantee deposits	2,985	2,014	274	697
	\$ 1,460,735	1,459,764	274	697

The Group does not expect the maturity analysis of cash flows will be significantly early or the actual amount will be significantly different.

3. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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and equity instrument price changes, will affect the Group's income or the value of financial instruments. The objective of market risk management is to control market risk exposure within the tolerable range and to optimize investment returns.

(1) Exchange rate risk

The Group is exposed to the exchange rate risk arising from the sales and purchase transactions denominated in non-functional currency.

A. Exchange rate risk exposure

The carrying amounts of the Group's monetary assets and liabilities that are not denominated in the functional currency on the reporting date are as follows:

In the functional currency on the reporting date are as follows:										
	September 30, 2024				December 31,2023			September 30, 2023		
	Foreign currency	Exchange rate	NTD		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	7,408	31.651	234,471	4,934	30.735	151,646	8,964	32.268	289,250
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		2,393	31.651	75,741	206	30.735	6,331	1,049	32.268	33,849

B. Sensitivity analysis

The Group's exchange rate risk mainly comes from the cash, cash equivalents and accounts receivable (payable) (including related parties) which are denominated in foreign currencies, with the resulting foreign currency exchange gains and losses. For the nine months ended September 30, 2024 and 2023, when the NTD depreciated/appreciated 1% against USD, and all other factors the pre-tax net profit for the year would have increased/decreased by NTD1,587 thousand and NTD2,554 thousand, respectively. The analysis of two terms is based on the same basis.

(2) Interest rate risk

The Group's bank borrowings are all based on floating interest rates. The Group has not entered into interest rate swap contracts to convert floating interest rates to fixed interest rates. To manage interest rate risks, the Group periodically evaluates the interest rates of bank loans and maintains good relationships with financial institutions to secure lower financing costs. Additionally, the Group strengthens the management of working capital to reduce its dependence on bank borrowings and mitigate the risks arising from interest rate fluctuations.

The following sensitivity analysis is based on the interest rate exposure of bank borrowings with floating interest rates as of the reporting date. The analysis assumes that the outstanding borrowings as of the reporting date remained outstanding throughout the entire period. The interest rate fluctuation rate used in the Group's internal reports to key management is an increase or decrease of 1% per annum, which reflects management's assessment of reasonably possible changes in interest rates.

If the annual interest rate had increased or decreased by 1%, with all other variables held constant, the Group's profit before tax for the period from January 1 to September 30, 2024, would have decreased or increased by NTD 8,625 thousand, respectively.

(XX) Capital management

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 (20) of the consolidated financial statements for the year ended December 31, 2023 for the further details.

(XXI) Investment and financing activities of non-cash transactions

1. Please refer to Note 6(7) for the right-of-use assets acquired by lease the nine months ended September 30, 2024 and 2023..
2. The adjustment of liabilities from financing activities is as follows:

	2024.1.1	Cash flow	Non-cash lease liabilities movement	2024.09.30
Short-term borrowings	\$ -	1,150,000	-	1,150,000
Liabilities	63	(971)	3,987	3,079
Guarantee deposits	2,846	822	-	3,668
Total liabilities from financing activities	<u>\$ 2,909</u>	<u>1,149,851</u>	<u>3,987</u>	<u>1,156,747</u>

	2023.1.1	Cash flow	Non-cash lease liabilities	2023.09.30
liabilities	\$ 19,001	(16,855)	-	2,146
Guarantee deposits	2,476	509	-	2,985
Total liabilities from financing activities	<u>\$ 21,477</u>	<u>(16,346)</u>	<u>-</u>	<u>5,131</u>

VII. Related party transactions

(I) Parent company and ultimate controller

The parent company of the Company is Acer BeingWare Holding Inc., which held 63.46% of the outstanding common shares of the Company as of September 30, 2024, December 31, 2023 and September 30, 2023. In addition, Acer Incorporated (AI) is the ultimate controller of the Group. AI has prepared consolidated financial statements for public use.

(II) Names of related parties and their relationships

The related parties who have transactions with the Group during the period of the consolidated financial statements are as follows:

Name of related party	Relationship with the Group
Acer Incorporated (AI)	The ultimate controller of the group to which the Company belongs
Acer BeingWare Holding Inc. (ABH)	Parent company of the Company
Datasitter Information Service Inc.	Associates (Note)
Acer (Chongqing) Ltd. (ACCQ)	Other related party (a subsidiary of AI)
Acerpure Inc. (API)	Other related party (a subsidiary of AI)
Acer Medical Inc. (AMED)	Other related party (a subsidiary of AI)
Acer Gadget Inc. (AGT)	Other related party (a subsidiary of AI)

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Aopen Inc. (AOI)	Other related party (a subsidiary of AI)
Acer AI Cloud Inc. (AIC)	Other related party (a subsidiary of AI)
Acer Cyber Security Incorporated (ACSI)	Other related party (a subsidiary of AI)
ACSI Cyber Security Academy Inc. (ACAD)	Other related party (a subsidiary of AI)
Weblink International Inc. (WLII)	Other related party (a subsidiary of AI)
Acer Being Communication Inc. (ABC)	Other related party (a subsidiary of AI)
Acer ITS Inc. (ITS)	Other related party (a subsidiary of AI)
Acer Synergy Tech Corp. (AST)	Other related party (a subsidiary of AI)
Acer e-Enabling Data Center Incorporated (EDC)	Other related party (a subsidiary of AI)
Acer Third Wave Software (Beijing) Co. Ltd	Other related party (a subsidiary of AI)
Highpoint Service Network Corporation (HSNC)	Other related party (a subsidiary of AI)
Aspire Service & Development Inc. (ASDI)	Other related party (a subsidiary of AI)
Acer Gaming Inc. (AGM)	Other related party (a subsidiary of AI)
Acer Synergy Manpower Corp. (ASM)	Other related party (a subsidiary of AI)
Acer Healthcare Inc. (AHC)	Other related party (a subsidiary of AI)
Bluechip Infotech Incorporated	Other related party (a subsidiary of AI)
Shine Passion Engineering Co., Ltd (SPE)	Other related party (a subsidiary of AI)
Angel Filtration Products Corp	Other related party (related to AI)
Ecom Software Inc	Other related party (related to AI)
Ambi Arts Inc.	Other related party (the chairman of the parent company and the director of the Company are first degree relatives)

(III) Significant transactions with related parties:

1. Operating revenue

The Group's sales amount to related parties is as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
The ultimate controller	\$ 89,258	66,491	135,723	115,667
Associates	1,039	188	1,393	422
Other related party	8,724	44,925	27,230	60,094
	<u>\$ 99,021</u>	<u>111,604</u>	<u>164,346</u>	<u>176,183</u>

The Group's selling prices and transaction conditions to the above-mentioned related parties are not significantly different from ordinary transactions, except that there is no ordinary transaction price for comparison due to the different specifications of some products.

2. Purchases

The Group's purchase amount from the related party is as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
The ultimate controller	\$ 466	4,369	3,220	5,695
Associates	11,629	17,459	49,235	37,423
Other related party	77,990	70,900	252,979	262,785

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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\$ 90,085 92,728 305,434 305,903

Except that the specifications of some products are different and there is no general transaction price to compare the purchase prices of the Group to the related parties, the rest are subject to the general purchase conditions, and there is no significant difference from the general manufacturers.

3. Operating costs and expenses

The Group's operating costs and expenses incurred as a result of the related parties providing management services, project manpower support, system maintenance and system development and design services are as follows:

Account	Category of related party	For the three months ended September 30		For the nine months ended September 30	
		2024	2023	2024	2023
Operating cost	The ultimate controller	\$ 9	14	114	76
Operating cost	Other related party	2,191	2,419	6,519	7,605
Operating expenses	The ultimate controller	857	1,852	2,771	6,266
Operating expenses	Other related party	<u>677</u>	<u>357</u>	<u>1,760</u>	<u>1,165</u>
		\$ <u>3,734</u>	<u>4,642</u>	<u>11,164</u>	<u>15,112</u>

4. Leases

The Group leased offices from ACER at a rent based on the rent prices in the neighborhood. The total amount of right-of-use assets and lease liabilities added in 2022 was NTD 28,294 thousand. The amounts of interest expenses for the periods from July 1 to September 30 and January 1 to September 30, 2023 were NTD 10 thousand and NTD 59 thousand, respectively. The balance of lease liabilities were NTD 1,777 thousand as of September 30, 2023.

The Group leases offices and other assets from ACER. These leases are short-term leases or low-value lease assets, and the Company chooses to waive the recognition requirements and does not recognize its related right-of-use assets and lease liabilities. The rent expense for the periods from July 1 to September 30 and January 1 to September 30, 2024 and 2023 was NTD 1,022 thousand, NTD 87 thousand, NTD 7,283 thousand and NTD 170 thousand, respectively, as of September 30, 2024, the related payable has been fully settled. As of December 31, 2023 and September 30, 2023 the relevant payables are listed under other payables.

5. Receivables from related parties

In summary, the Group's receivables from related parties are as follows:

Account	Category of related party	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable - Related parties	The ultimate controller	\$ 12,060	33,355	79,677
Accounts receivable - Related parties	Associates	60	58	197
Accounts receivable - Related parties	Other related party	4,583	9,889	44,662
Contract assets	Other related party	<u>654</u>	<u>799</u>	<u>507</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

\$ 17,357 44,101 125,043

6. Payables to related parties

In summary, the Group's payable to related parties are as follows:

Account	Category of related party	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable - related parties	The ultimate controller	\$ 507	3,436	3,552
Accounts payable - related parties	Associates	4,468	21,847	13,005
Accounts payable - related parties	Other related party	56,601	92,089	78,209
Other payables - related parties	The ultimate controller	1,941	7,959	7,494
Other payables - related parties	Other related party	283	2	58
Lease liabilities - current	The ultimate controller	-	-	1,777
		<u>\$ 63,800</u>	<u>125,333</u>	<u>104,095</u>

7. Contract liabilities

The Group has collected the contractual consideration from the related parties but has not yet transferred the goods or services to the related parties. The contractual liabilities are as follows:

Account	Category of related party	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	The ultimate controller	\$ 22,689	21,257	23,640
Contract liabilities	Other related party	6,332	13,356	13,574
		<u>\$ 29,021</u>	<u>34,613</u>	<u>37,214</u>

8. Asset transaction

The Group purchased intangible assets from other related parties for an amount of NT\$156 thousand during the period from January 1 to September 30, 2023. As of September 30, 2023, the related payable has been fully settled.

(IV) Remuneration to key management personnel

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 6,694	7,000	21,436	22,534
Post-employment benefits	143	95	394	338
	<u>\$ 6,837</u>	<u>7,095</u>	<u>21,830</u>	<u>22,872</u>

VIII. Pledged assets: None.

IX. Significant contingent liabilities and unrecognized contractual commitments

In response to the Group's operational needs, the Group plans to purchase an office building in the

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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Taichung area from Lien Jade Construction Co., Ltd. A purchase contract was signed on March 27, 2024, with a total amount of NTD 33,920 thousand. As of September 30, 2024, an amount of NTD 10,372 thousand has been paid and recorded under other non-current assets. The expected date of property transfer is the year 2031.

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

(I) Employee benefits, depreciation and amortization expenses by function are summarized as follows:

By function	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Attributed to operation cost	Attributed to operation expenses	Total	Attributed to operation cost	Attributed to operation expenses	Total
By nature						
Employee benefit expense						
Salaries	38,689	82,186	120,875	30,856	66,909	97,765
Insurance	2,492	4,647	7,139	2,179	4,794	6,973
Pension	1,636	3,258	4,894	1,548	3,174	4,722
Remuneration to directors	-	635	635	-	443	443
Others	1,652	5,119	6,771	1,443	4,050	5,493
Depreciation expense	-	5,149	5,149	-	6,471	6,471
Amortization expense	-	1,503	1,503	-	1,349	1,349

By function	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Attributed to operation cost	Attributed to operation expenses	Total	Attributed to operation cost	Attributed to operation expenses	Total
By nature						
Employee benefit expense						
Salaries	116,001	238,689	354,690	103,996	211,553	315,549
Insurance	7,574	14,840	22,414	7,210	14,631	21,841
Pension	4,802	9,595	14,397	4,569	9,135	13,704
Remuneration to directors	-	1,905	1,905	-	1,143	1,143
Others	5,101	14,423	19,524	4,468	11,618	16,086
Depreciation expense	-	11,779	11,779	-	18,373	18,373
Amortization expense	-	4,567	4,567	33	4,259	4,292

XIII. Disclosures in Notes

(I) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the material transactions are to be disclosed by the Group for the nine months ended September 30, 2024:

- 1.Loaning of funds to others: None.
- 2.Endorsements/guarantees for others: None.
- 3.Marketable securities held at reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities):

Unit: NTD Thousand/Thousand shares

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Account	Ending balance				Note
				Number of shares	Carrying value	Shareholding ratio	Fair value/net value	
The Company	Preferred Stock B of SKFH	-	Financial liabilities measured at fair value through profit or loss - non-current	666	20,243	0.30%	20,243	-
The Company	Ambi Arts Inc. Stocks	Other related party	Financial liabilities measured at fair value through profit or loss - non-current	180	1,150	18.00%	1,150	-

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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4. Marketable securities for which the accumulated purchase or sale amounts for the period exceed NTD 300 million or 20% of the paid-in capital: None.

5. Acquisition of real estate at costs exceeding NTD 300 million or 20% of the paid-in capital:

Unit: NTD thousand

Company Name	Property Name	Transaction Date or Date of Occurrence	Transaction Amount	Payment Status	Transaction Counterparty	Relationship	For related parties involved in related party transactions, information on the previous transfer				Reference Basis for Price Determination	Purpose of Acquisition and Usage Status	Other Agreed Terms
							Owner	Relationship with the Issuer	Transfer Date	Amount			
ACER E-ENABLING SERVICE BUSINESS INC.	Land and Buildings in Nangang District, Taipei City	2023.12.21	1,768,906	Fully Paid	Liberty Stationery Corp.	Non-related Party	-	-	-	-	Determined based on professional appraisal reports and mutual negotiation	Used as the company's self-occupied office building	None

6. Disposal of real estate at prices exceeding NTD 300 million or 20% of the paid-in capital: None

7. Total purchases from and sales to related parties exceeding NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company Name	Related Party	Relationship	Transaction status				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases (sales)	Amount	% in total purchases (sales)	Payment Terms	Unit price	Payment Terms	Ending Balance	% of total	
The Company	ACER	Parent and Subsidiary	(Sales)	(135,723)	(2.02) %	EM30	(Note 1)	(Note 3)	12,060	0.34%	-
The Company	WLII	Other related party	Purchases	231,236	4.10%	EM60	(Note 2)	(Note 3)	(51,125)	(5.00)%	-

(Note 1): The Company's sales prices and transaction terms with related parties are not significantly different from those of general manufacturers, except in cases where no general transaction price comparison is available due to differences in product specifications.

(Note 2): The Company's purchase prices and transaction terms with related parties are not significantly different from those of general manufacturers, except in cases where no general transaction price comparison is available due to differences in product specifications.

(Note 3): No significant difference from general transactions.

8. Receivables from related parties with amounts exceeding the lower of NTD 100 million or 20% of the paid-in capital: None.

9. Information about derivative instruments transactions: None.

10. Business relationships and significant transactions between the parent company and its subsidiaries:

Number (Note 1)	Company Name	Counterparty	Intercompany Relationship	Transactions			
				Account (Note 2)	Amount	Transaction terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd.	Parent/Subsidiary	Sales	58,385	OA90	0.87%
0	The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd.	Parent/Subsidiary	Accounts receivable	47,640	OA90	0.72%

(Note 1): The method of filling in the serial number is as follows:

1. 0 for the parent company.

2. Subsidiaries are numbered sequentially starting from 1 according to the company.

(Note 2): The business relationship and important transactions between the parent company and its subsidiaries will not be repeated on the relative purchases and accounts payable.

(Note 3): It is calculated by dividing the transaction amount by the consolidated operating revenue or consolidated total assets.

(II) Information on investees:

Unit: Thousand shares/NTD thousand

Name of Investment Company	Investee	Location	Main business and products	Initial investment amount		Balance at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Note
				End of current period	End of last year	Number of shares	Shareholding ratio	Carrying value			
The Company	Datasitter Information Service Inc.	Taiwan	Wholesale of computer software packages	10,125	10,125	675	20.00%	9,219	2,940	588	

(III) Information on investments in Mainland China:

1. The name and main business items of the invested company in Mainland China:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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Unit: USD thousand/NTD thousand

Name of investee company	Main business and products	Total paid-up capital	Investment method	Accumulated Outflow of Investment from Taiwan as of the beginning of period	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the end of period	Investee's current profit or loss	% of Ownership of Direct or Indirect Investment	Investment gains and losses recognized in the current period (Note 1)	Carrying value of investment at the end of the period	Accumulated Inward Remittance of Earnings as of the end of period
					Outflow	Inflow						
Acer e-Enabling Service Business (Shang-Hai) Ltd.	Sales of Information Software and Information Consulting Services	47,477 (USD 1,500)	(Note 2)	47,477 (USD1,500)	-	-	47,477 (USD1,500)	14,232 (USD 450)	100.00%	14,232 (USD 450)	62,121 (USD 1,963)	-

Note 1: Already eliminated when the consolidated financial statements were prepared.

Note 2: Direct investment in Mainland China companies.

Note 3: Based on the exchange rate USD:NTD = 1:31.651 on September 30, 2024.

2. Limits on investment in Mainland China:

Unit: USD thousand/NTD thousand

Accumulated Investment in Mainland China as of the end of period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
47,477 (USD 1,500)	94,953 (USD 3,000)	1,231,969

Note: Based on the exchange rate USD:NTD = 1:31.651 on September 30, 2024.

3. Significant transactions with investee companies in Mainland China:

Please refer to the description of "Information on Significant Transactions" for the significant transactions between the Group and the investee companies in Mainland China for the three months ended September 30, 2024, directly or indirectly.

(IV) Information of major shareholders:

Name of major shareholder	Stock	Number of shares held	Shareholding ratio
ACER BEINGWARE HOLDING INC.		26,304,000	63.46%

XIV. Operating Segments

(I) General information

The reportable segment of the Group is the IT software and application development segment. The IT software and application development department is mainly engaged in the sales of IT software and information consulting services. The Group also has other business departments that do not meet the quantitative threshold, mainly engaged in cloud ticketing, e-books and online payment trading platforms.

The operating segments of the Group and the adjustment information are as follows:

For the three months ended September 30				
2024				
	Information Software and Application Development Department	Others Business departments	Adjustments and write-offs	Total
Revenue from external customers	\$ 2,148,028	30,103	-	2,178,131

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
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For the three months ended September 30				
2023				
	Information Software and Application Development Department	Others Business departments	Adjustments and write- offs	Total
Revenue from external customers	\$ 1,764,776	25,339	-	1,790,115

For the nine months ended September 30				
2024				
	Information Software and Application Development Department	Others Business departments	Adjustments and write- offs	Total
Revenue from external customers	\$ 6,621,370	82,734	-	6,704,104

For the nine months ended September 30				
2023				
	Information Software and Application Development Department	Others Business departments	Adjustments and write- offs	Total
Revenue from external customers	\$ 5,759,981	70,464	-	5,830,445

The Group does not allocate costs, expenses and non-recurring gains and losses to the IT software and application development department and other business segments, because the Group takes into account the long-term comprehensive development strategy, and the profit and loss of its operating segments is mainly measured by sales revenue and as a basis for evaluating performance, the reported amounts are consistent with the information used by the operating decision makers.