

**ARES INTERNATIONAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2023 AND 2022**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ares International Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Ares International Corp. and subsidiaries (the "Group") as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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.

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(6), the financial statements of certain non-significant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets (including investments accounted for using the equity method) amounting to NT\$180,595 thousand and NT\$181,702 thousand, constituting 12.77% and 13.95% of the consolidated total assets, and total liabilities amounting to NT\$15,194 thousand and NT\$17,323 thousand,

constituting 2.81% and 3.59% of the consolidated total liabilities as at September 30, 2023 and 2022, respectively, and total comprehensive income (including share of profit (loss) of associates and joint ventures accounted for using equity method) amounting to (NT\$5,141) thousand, (NT\$944) thousand, NT\$9,515 thousand and NT\$14,668 thousand, constituting (11.75%), (1.89%), 7.17% and 13.68% of consolidated total comprehensive income for the three months and nine months then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, 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 Group as at September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

CPA Lin, Yi-Fan

CPA Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

November 10, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 591,320	42	\$ 574,013	41	\$ 482,271	37
1136	Financial assets at amortised cost -	6(2) and 8						
	current		294,340	21	316,110	22	324,668	25
1140	Contract assets - current	6(16)	160,507	11	99,294	7	97,376	7
1150	Notes receivable, net	6(3)	213	-	26	-	90	-
1170	Accounts receivable, net	6(3)	83,345	6	122,541	9	140,017	11
1180	Accounts receivable - related	7						
	parties, net		-	-	1,108	-	347	-
1200	Other receivables		5,992	1	2,444	-	1,632	-
1210	Other receivables - related parties	7	4	-	-	-	-	-
1410	Prepayments	6(4) and 7	41,296	3	42,383	3	34,866	3
1470	Other current assets	8	47,007	3	50,489	4	46,416	4
11XX	Total current assets		<u>1,224,024</u>	<u>87</u>	<u>1,208,408</u>	<u>86</u>	<u>1,127,683</u>	<u>87</u>
Non-current assets								
1550	Investments accounted for using	6(6)						
	the equity method		130,623	9	146,761	10	125,829	10
1600	Property, plant and equipment, net	6(7)	4,881	-	4,714	-	4,641	-
1755	Right-of-use assets	6(8)	20,590	1	6,755	1	11,007	1
1780	Intangible assets		866	-	201	-	286	-
1840	Deferred income tax assets		25,213	2	32,698	2	25,517	2
1900	Other non-current assets	8	7,643	1	7,642	1	7,666	-
15XX	Total non-current assets		<u>189,816</u>	<u>13</u>	<u>198,771</u>	<u>14</u>	<u>174,946</u>	<u>13</u>
1XXX	Total assets		<u>\$ 1,413,840</u>	<u>100</u>	<u>\$ 1,407,179</u>	<u>100</u>	<u>\$ 1,302,629</u>	<u>100</u>

(Continued)

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Contract liabilities - current	6(16)	\$ 217,413	16	\$ 156,697	11	\$ 147,443	11
2170	Accounts payable	6(9)	52,414	4	50,455	4	48,748	4
2200	Other payables	6(10)	129,070	9	146,064	11	121,310	9
2230	Current income tax liabilities		4,441	-	33,374	2	18,517	2
2250	Provisions for liabilities - current	6(12)	3,775	-	7,631	1	4,862	-
2280	Current lease liabilities		15,685	1	4,820	-	8,172	1
21XX	Total current liabilities		<u>422,798</u>	<u>30</u>	<u>399,041</u>	<u>29</u>	<u>349,052</u>	<u>27</u>
Non-current liabilities								
2580	Non-current lease liabilities		5,205	-	2,151	-	3,101	-
2640	Non-current accrued pension liabilities		111,820	8	128,842	9	130,555	10
25XX	Total non-current liabilities		<u>117,025</u>	<u>8</u>	<u>130,993</u>	<u>9</u>	<u>133,656</u>	<u>10</u>
2XXX	Total liabilities		<u>539,823</u>	<u>38</u>	<u>530,034</u>	<u>38</u>	<u>482,708</u>	<u>37</u>
Equity attributable to owners of parent								
	Share capital	6(13)						
3110	Common stock		472,539	33	472,539	34	472,539	36
	Capital surplus	6(14)						
3200	Capital surplus		156,960	12	158,764	11	142,731	11
	Retained earnings	6(15)						
3310	Legal reserve		94,962	7	80,434	6	80,434	6
3320	Special reserve		4,146	-	7,344	-	7,344	1
3350	Unappropriated retained earnings		145,428	10	158,537	11	116,761	9
	Other equity interest							
3400	Other equity interest		(3,801)	-	(4,146)	-	(3,663)	-
31XX	Equity attributable to owners of the parent		<u>870,234</u>	<u>62</u>	<u>873,472</u>	<u>62</u>	<u>816,146</u>	<u>63</u>
36XX	Non-controlling interest		<u>3,783</u>	<u>-</u>	<u>3,673</u>	<u>-</u>	<u>3,775</u>	<u>-</u>
3XXX	Total equity		<u>874,017</u>	<u>62</u>	<u>877,145</u>	<u>62</u>	<u>819,921</u>	<u>63</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 1,413,840</u>	<u>100</u>	<u>\$ 1,407,179</u>	<u>100</u>	<u>\$ 1,302,629</u>	<u>100</u>

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	\$ 183,246	100	\$ 197,257	100	\$ 577,848	100	\$ 573,423	100
5000	Operating costs	6(20)(21)								
		and 7	(108,810)	(59)	(113,598)	(57)	(358,565)	(62)	(345,477)	(60)
5950	Gross profit		74,436	41	83,659	43	219,283	38	227,946	40
	Operating expenses	6(20)(21)								
		and 7								
6100	Selling expenses		(19,438)	(11)	(17,171)	(9)	(53,853)	(9)	(52,812)	(9)
6200	General and administrative expenses		(21,924)	(12)	(20,129)	(10)	(51,144)	(9)	(46,882)	(8)
6300	Research and development expenses		(25,493)	(14)	(24,254)	(12)	(79,107)	(14)	(75,107)	(13)
6450	Reversal of expected credit losses	12(2)	1,074	1	960	-	4,803	1	735	-
6000	Total operating expenses		(65,781)	(36)	(60,594)	(31)	(179,301)	(31)	(174,066)	(30)
6900	Operating profit		8,655	5	23,065	12	39,982	7	53,880	10
	Non-operating income and expenses									
7100	Interest income	6(17)	4,024	2	1,413	1	12,203	2	3,350	1
7010	Other income	6(18)	130	-	889	-	651	-	1,465	-
7020	Other gains and losses	6(19)	33,210	18	24,894	12	80,916	14	48,770	8
7050	Finance costs	6(8)	(168)	-	(105)	-	(544)	-	(358)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	46	-	5,654	3	13,474	2	17,438	3
7000	Total non-operating income and expenses		37,242	20	32,745	16	106,700	18	70,665	12
7900	Profit before income tax		45,897	25	55,810	28	146,682	25	124,545	22
7950	Income tax expense	6(22)	(4,931)	(3)	(7,510)	(4)	(14,525)	(2)	(21,127)	(4)
8200	Profit for the period		\$ 40,966	22	\$ 48,300	24	\$ 132,157	23	\$ 103,418	18

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ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Three months ended September 30				Nine months ended September 30			
		2023		2022		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)							
		\$ 4	-	\$ -	-	\$ 4	-	\$ -	-
8310	Other comprehensive income that will not be reclassified to profit or loss								
		4	-	-	-	4	-	-	-
Other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations								
		3,470	2	2,082	1	549	-	4,721	1
8399	Income tax relating to components of other comprehensive loss	6(22)							
		(670)	-	(431)	-	(86)	-	(920)	-
8360	Other comprehensive income that will be reclassified to profit or loss								
		2,800	2	1,651	1	463	-	3,801	1
8300	Total other comprehensive income for the period								
		\$ 2,804	2	\$ 1,651	1	\$ 467	-	\$ 3,801	1
8500	Total comprehensive income for the period								
		\$ 43,770	24	\$ 49,951	25	\$ 132,624	23	\$ 107,219	19
Profit attributable to:									
8610	Owners of the parent								
		\$ 40,916	22	\$ 48,401	24	\$ 132,165	23	\$ 103,503	18
8620	Non-controlling interest								
		50	-	(101)	-	(8)	-	(85)	-
		\$ 40,966	22	\$ 48,300	24	\$ 132,157	23	\$ 103,418	18
Comprehensive income attributable to:									
8710	Owners of the parent								
		\$ 43,599	24	\$ 50,121	25	\$ 132,514	23	\$ 107,184	19
8720	Non-controlling interest								
		171	-	(170)	-	110	-	35	-
		\$ 43,770	24	\$ 49,951	25	\$ 132,624	23	\$ 107,219	19
Earnings per share (in dollars)									
9750	Basic	6(23)							
		\$ 0.87		\$ 1.02		\$ 2.80		\$ 2.19	
9850	Diluted								
		\$ 0.86		\$ 1.01		\$ 2.78		\$ 2.17	

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained Earnings					Other Equity Interest				
						Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Notes	Common stock	Capital surplus	Legal reserve	Special reserve							
<u>Nine months ended September 30, 2022</u>											
	\$ 472,539	\$ 142,878	\$ 68,542	\$ 6,342	\$ 132,181	(\$ 5,344)	(\$ 2,000)	\$ 815,138	\$ 3,740	\$ 818,878	
Balance at January 1, 2022											
Profit (loss) for the period	-	-	-	-	103,503	-	-	103,503	(85)	103,418	
Other comprehensive income for the preiod	-	-	-	-	-	3,681	-	3,681	120	3,801	
Total comprehensive income	-	-	-	-	103,503	3,681	-	107,184	35	107,219	
Appropriations of 2021 earnings	6(15)										
Legal reserve	-	-	11,892	-	(11,892)	-	-	-	-	-	
Special reserve	-	-	-	1,002	(1,002)	-	-	-	-	-	
Cash dividends	-	-	-	-	(106,029)	-	-	(106,029)	-	(106,029)	
Changes in equity of investment in associates and joint ventures accounted for using equity method	6(14)	-	(147)	-	-	-	-	(147)	-	(147)	
Balance at September 30, 2022	\$ 472,539	\$ 142,731	\$ 80,434	\$ 7,344	\$ 116,761	(\$ 1,663)	(\$ 2,000)	\$ 816,146	\$ 3,775	\$ 819,921	
<u>Nine months ended September 30, 2023</u>											
	\$ 472,539	\$ 158,764	\$ 80,434	\$ 7,344	\$ 158,537	(\$ 2,146)	(\$ 2,000)	\$ 873,472	\$ 3,673	\$ 877,145	
Balance at January 1, 2023											
Profit (loss) for the period	-	-	-	-	132,165	-	-	132,165	(8)	132,157	
Other comprehensive income for the preiod	-	-	-	-	4	345	-	349	118	467	
Total comprehensive income	-	-	-	-	132,169	345	-	132,514	110	132,624	
Appropriations of 2022 earnings	6(15)										
Legal reserve	-	-	14,528	-	(14,528)	-	-	-	-	-	
Special reserve	-	-	-	(3,198)	3,198	-	-	-	-	-	
Cash dividends	-	-	-	-	(133,948)	-	-	(133,948)	-	(133,948)	
Disposal of investment using the equity method	6(14)	-	(1,802)	-	-	-	-	(1,802)	-	(1,802)	
Other	6(14)	-	(2)	-	-	-	-	(2)	-	(2)	
Balance at September 30, 2023	\$ 472,539	\$ 156,960	\$ 94,962	\$ 4,146	\$ 145,428	(\$ 1,801)	(\$ 2,000)	\$ 870,234	\$ 3,783	\$ 874,017	

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Nine months ended September 30	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 146,682	\$ 124,545
Adjustments			
Adjustments to reconcile (profit) loss			
Reversal of expected credit loss impairment	6(20) and 12(2)	(4,803)	(735)
Depreciation of property, plant and equipment	6(7)(20)	1,580	2,072
Depreciation of right-of-use asset	6(8)(20)	12,605	12,692
Amortisation	6(20)	295	255
Interest income	6(17)	(12,203)	(3,350)
Interest expense	6(8)	544	358
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(13,474)	(17,438)
Gains on disposal of investments	6(19)	(61,776)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		187	(90)
Accounts receivable		(17,588)	2,637
Accounts receivable - related parties		1,108	(347)
Other receivables		198	2,099
Other receivables - related parties		(4)	-
Prepayments		1,087	(4,181)
Other current assets		8,324	8,917
Changes in operating liabilities			
Contract liabilities		60,716	5,588
Notes payable		-	(264)
Accounts payable		1,959	(13,583)
Other payables		(16,994)	(13,946)
Provisions for liabilities - current		(3,856)	(141)
Non-current accrued pension liabilities		(17,022)	(1,267)
Cash inflow generated from operations		87,565	103,821
Interest received		8,556	2,948
Income tax paid		(36,053)	(20,222)
Net cash flows from operating activities		60,068	86,547
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		(291,133)	(313,821)
Decrease in financial assets at amortised cost-current		308,061	272,593
Increase in investments using the equity method	6(6)	(3,000)	(2,960)
Disposal of investments using the equity method	6(6)	71,942	-
Dividends received		20,929	7,367
Acquisition of property, plant and equipment	6(7)	(1,746)	(1,453)
Acquisition of intangible assets		(960)	-
Increase in refundable deposits (shown in other non-current assets)		(1)	(8)
Net cash flows from (used in) investing activities		104,092	38,282
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payment of lease liability	6(24)	(12,903)	(12,736)
Cash dividends paid	6(15)	(133,948)	(106,029)
Unclaimed cash dividends paid	6(14)	(2)	-
Net cash flows used in financing activities		(146,853)	(118,765)
Net increase (decrease) in cash and cash equivalents		17,307	(70,500)
Cash and cash equivalents at beginning of period		574,013	552,771
Cash and cash equivalents at end of period		\$ 591,320	\$ 482,271

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Ares International Corp. (hereinafter referred to as the ‘Company’) was established on December 3, 1980. The Company and subsidiaries (hereinafter referred to as the ‘Group’) are engaged in the design, sales, lease, maintenance and technology consultation of computer equipment, internet and related software, and analysis, design, modification, installation and maintenance of application software. The Company’s stock was traded at the Taipei Exchange from March 1999, and was listed at the Taiwan Stock Exchange after the application of listing was approved since September 2001.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on November 10, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact on the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact on the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the

International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through other comprehensive income.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with the basis for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
ARES INTERNATIONAL CORP.	ARES GROUP CORP.	Investment business	100%	100%	100%	Note
"	WELJOIN TECHNOLOGIES LIMITED (BVI)	"	100%	100%	100%	"
ARES GROUP CORP.	SHARP KEEN MANAGEMENT LIMITED	"	100%	100%	100%	"
WELJOIN TECHNOLOGIES LIMITED (BVI)	APLUSOFT (SUZHOU) CORPORATION	Research, development and sales of business management software	95.88%	95.88%	95.88%	"

Note: The financial statements of the above subsidiaries were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation 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. Also, the related information is disclosed accordingly.

(5) Income taxes

If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change during the reporting period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand and revolving funds	\$ 442	\$ 550	\$ 600
Checking accounts and demand deposits	311,387	355,531	289,591
Time deposits	279,491	217,932	192,080
	<u>\$ 591,320</u>	<u>\$ 574,013</u>	<u>\$ 482,271</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Refer to Note 8 for the details of restricted cash and cash equivalents as of September 30, 2023, December 31, 2022, and September 30, 2022.

(2) Financial assets at amortised cost

Items	September 30, 2023	December 31, 2022	September 30, 2022
Current items:			
Time deposits with maturity over three months	\$ 291,133	\$ 312,475	\$ 318,283
Pledged time deposits	3,207	3,635	6,385
	<u>\$ 294,340</u>	<u>\$ 316,110</u>	<u>\$ 324,668</u>
Interest rate range of time deposits	1.00%~4.60%	0.23%~4.72%	0.76%~3.5%

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended September 30	
	2023	2022
Interest income	<u>\$ 1,309</u>	<u>\$ 820</u>
	Nine months ended September 30	
	2023	2022
Interest income	<u>\$ 6,448</u>	<u>\$ 1,872</u>

B. As at September 30, 2023, December 31, 2022, and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$294,340, \$316,110 and \$324,668, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 213	\$ 26	\$ 90
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 213</u>	<u>\$ 26</u>	<u>\$ 90</u>
Accounts receivable	\$ 90,962	\$ 134,963	\$ 146,593
Less: Allowance for uncollectible accounts	(7,617)	(12,422)	(6,576)
	<u>\$ 83,345</u>	<u>\$ 122,541</u>	<u>\$ 140,017</u>

- A. The ageing analysis of notes and accounts receivable that were past due but not impaired is as follows:

	September 30, 2023	
	Accounts receivable	Notes receivable
Not past due	\$ 67,941	\$ 213
Up to 90 days	14,448	-
91 to 180 days	2,262	-
181 to 270 days	842	-
Over 270 days	5,469	-
	<u>\$ 90,962</u>	<u>\$ 213</u>
	December 31, 2022	
	Accounts receivable	Notes receivable
Not past due	\$ 107,149	\$ 26
Up to 90 days	15,107	-
91 to 180 days	511	-
181 to 270 days	2,693	-
Over 270 days	9,503	-
	<u>\$ 134,963</u>	<u>\$ 26</u>
	September 30, 2022	
	Accounts receivable	Notes receivable
Not past due	\$ 117,158	\$ 90
Up to 90 days	16,710	-
91 to 180 days	3,021	-
181 to 270 days	3,172	-
Over 270 days	6,532	-
	<u>\$ 146,593</u>	<u>\$ 90</u>

The above ageing analysis was based on past due date.

- B. As of September 30, 2023, December 31, 2022, and September 30, 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to \$152,095.
- C. The Group has no notes and accounts receivable pledged to others.
- D. The Group has no discounted notes receivable.
- E. The Group does not hold any collateral as security.
- F. As at September 30, 2023, December 31, 2022, and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents notes and accounts receivable held by the Group were \$83,558, \$122,567 and \$140,107, respectively.

G. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Prepayments

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Prepaid project cost	\$ 37,176	\$ 40,526	\$ 31,805
Other prepayments	4,120	1,857	3,061
	<u>\$ 41,296</u>	<u>\$ 42,383</u>	<u>\$ 34,866</u>

(5) Financial assets at fair value through other comprehensive income-non-current

<u>Items</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 2,000	\$ 2,000	\$ 2,000
Valuation adjustment	(2,000)	(2,000)	(2,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$0 as at September 30, 2023, December 31, 2022, and September 30, 2022.

B. For the three months and nine months ended September 30, 2023 and 2022, no amount was recognised in profit or loss and other comprehensive income.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(6) Investments accounted for using the equity method

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Associates:			
BLITZ IT CONSULTANTS PTE. LTD.	\$ 15,745	\$ 18,351	\$ 18,650
ARES INTERNATIONAL (THAILAND) CO., LTD.	3,115	4,676	4,625
ARGO INTERNATIONAL CORPORATION	28,687	28,854	27,082
M-POWER INFORMATION CO., LTD.	81,362	94,880	75,472
MYSHINE TECHNOLOGY CO., LTD.	1,714	-	-
	<u>\$ 130,623</u>	<u>\$ 146,761</u>	<u>\$ 125,829</u>

A. The basic information of the associates of the Group is as follows:

Company name	Principal place of business	Ownership (%)			Nature of relationship	Method of measurement
		September 30, 2023	December 31, 2022	September 30, 2022		
BLITZ IT CONSULTANTS PTE. LTD.	Singapore	25.00%	25.00%	25.00%	Strategic investment	Equity method
ARES INTERNATIONAL (THAILAND) CO., LTD.	Thailand	49.00%	49.00%	49.00%	"	"
ARGO INTERNATIONAL CORPORATION	Taiwan	33.88%	33.88%	33.88%	"	"
M-POWER INFORMATION CO., LTD.	"	17.47%	19.74%	23.04%	"	"
MYSHINE TECHNOLOGY CO., LTD.	"	40.00%	-	-	"	"

Note 1: In June 2022, the Group subscribed to the capital increase of ARGON INTERNATIONAL CORPORATION by cash amounting to \$2,960, constituting 295,970 shares. The Group adjusted capital surplus of (\$147) as the Group did not subscribe to the capital increase proportionately to its equity interest.

Note 2: In December 2022, the Group adjusted capital surplus of \$15,969 as the Group did not participate in the capital increase of M-POWER INFORMATION CO., LTD.

Note 3: For the nine months ended September 30, 2023, the Group disposed 500,000 shares of M-POWER INFORMATION CO., LTD. with a disposal price of \$71,942. The gain from disposal of investments was recognised at \$61,776, and adjusted capital surplus of (\$1,802) in accordance with the ownership proportion.

Note 4: In June 2023, the Group invested \$3,000 in cash and acquired 200,000 shares of MYSHINE TECHNOLOGY CO., LTD., representing a 40% ownership stake.

- B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of September 30, 2023, December 31, 2022, and September 30, 2022, the carrying amounts of the Group's individually immaterial associates amounted to \$130,623, \$146,761 and \$125,829, respectively.

	Three months ended September 30	
	2023	2022
Profit for the period from continuing operations	\$ 46	\$ 5,654
Other comprehensive income, net of tax	4	-
Total comprehensive income	<u>\$ 50</u>	<u>\$ 5,654</u>
	Nine months ended September 30	
	2023	2022
Profit for the period from continuing operations	\$ 13,474	\$ 17,438
Other comprehensive income, net of tax	4	-
Total comprehensive income	<u>\$ 13,478</u>	<u>\$ 17,438</u>

- C. For the three months and nine months ended September 30, 2023 and 2022, the Group recognised share of profit of associates in the amounts of \$46, \$5,654, \$13,474 and \$17,438, respectively, which were based on the financial statements of the same period which were not reviewed by independent auditors.
- D. The Group's material associate, M-POWER INFORMATION CO., LTD., has quoted market prices. As of September 30, 2023 and December 31, 2022, the fair value was \$395,831 and \$155,012, respectively. As of September 30, 2022, there was no information about quoted market prices.
- E. The Group is the single largest shareholder of ARGO INTERNATIONAL CORPORATION and M-POWER INFORMATION with a 33.88% and 17.47% equity interest, respectively. As the Group has no ability to direct the relevant activities of ARGO INTERNATIONAL CORPORATION and M-POWER INFORMATION, the Group has no control, but only has significant influence, over the investee.

(7) Property, plant and equipment

	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other facilities</u>	<u>Total</u>
<u>At January 1, 2023</u>						
Cost	\$ 10,581	\$ 12,190	\$ 1,568	\$ 4,679	\$ 1,429	\$ 30,447
Accumulated depreciation	(7,669)	(11,735)	(1,535)	(4,236)	(558)	(25,733)
	<u>\$ 2,912</u>	<u>\$ 455</u>	<u>\$ 33</u>	<u>\$ 443</u>	<u>\$ 871</u>	<u>\$ 4,714</u>
<u>2023</u>						
At January 1	\$ 2,912	\$ 455	\$ 33	\$ 443	\$ 871	\$ 4,714
Additions	1,746	-	-	-	-	1,746
Depreciation charges	(1,048)	(255)	(21)	(48)	(208)	(1,580)
Net exchange differences	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
At September 30	<u>\$ 3,611</u>	<u>\$ 200</u>	<u>\$ 12</u>	<u>\$ 395</u>	<u>\$ 663</u>	<u>\$ 4,881</u>
<u>At September 30, 2023</u>						
Cost	\$ 12,328	\$ 12,190	\$ 1,568	\$ 4,679	\$ 1,429	\$ 32,194
Accumulated depreciation	(8,717)	(11,990)	(1,556)	(4,284)	(766)	(27,313)
	<u>\$ 3,611</u>	<u>\$ 200</u>	<u>\$ 12</u>	<u>\$ 395</u>	<u>\$ 663</u>	<u>\$ 4,881</u>

	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other facilities	Total
<u>At January 1, 2022</u>						
Cost	\$ 9,237	\$ 12,190	\$ 1,707	\$ 5,717	\$ 918	\$ 29,769
Accumulated depreciation	(6,594)	(10,406)	(1,646)	(5,358)	(520)	(24,524)
	<u>\$ 2,643</u>	<u>\$ 1,784</u>	<u>\$ 61</u>	<u>\$ 359</u>	<u>\$ 398</u>	<u>\$ 5,245</u>
<u>2022</u>						
At January 1	\$ 2,643	\$ 1,784	\$ 61	\$ 359	\$ 398	\$ 5,245
Additions	1,453	-	-	-	-	1,453
Depreciation charges	(903)	(1,007)	(21)	(29)	(112)	(2,072)
Net exchange differences	15	-	-	-	-	15
At September 30	<u>\$ 3,208</u>	<u>\$ 777</u>	<u>\$ 40</u>	<u>\$ 330</u>	<u>\$ 286</u>	<u>\$ 4,641</u>
<u>At September 30, 2022</u>						
Cost	\$ 10,722	\$ 12,190	\$ 1,707	\$ 5,717	\$ 918	\$ 31,254
Accumulated depreciation	(7,514)	(11,413)	(1,667)	(5,387)	(632)	(26,613)
	<u>\$ 3,208</u>	<u>\$ 777</u>	<u>\$ 40</u>	<u>\$ 330</u>	<u>\$ 286</u>	<u>\$ 4,641</u>

A. No interest was capitalised as part of property, plant and equipment.

B. The Group has no property, plant and equipment pledged to others.

(8) Leasing arrangements — lessee

- A. The Group's leased assets are buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Right-of-use assets are not recognised for short-term leases with a lease term of 12 months or less for part of leased buildings of the Group.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	Carrying amount		
	September 30, 2023	December 31, 2022	September 30, 2022
Buildings	\$ 20,590	\$ 6,755	\$ 11,007
	Depreciation charge		
	Three months ended September 30		
	2023	2022	
Buildings	\$ 4,196	\$ 4,226	
	Depreciation charge		
	Nine months ended September 30		
	2023	2022	
Buildings	\$ 12,605	\$ 12,692	

- D. For the three months and nine months ended September 30, 2023 and 2022, the additions to right-of-use assets were \$0, \$2,920, \$26,444 and \$2,920, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended September 30	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 168	\$ 105
Expense on short-term lease contracts	332	337
	<u>\$ 500</u>	<u>\$ 442</u>
	Nine months ended September 30	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 544	\$ 358
Expense on short-term lease contracts	967	968
	<u>\$ 1,511</u>	<u>\$ 1,326</u>

- F. For the nine months ended September 30, 2023 and 2022, the Group's total cash outflow for leases were \$13,870 and \$13,704, respectively.

(9) Accounts payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts payable	\$ 11,830	\$ 15,349	\$ 14,299
Project costs payable	40,584	35,106	34,449
	<u>\$ 52,414</u>	<u>\$ 50,455</u>	<u>\$ 48,748</u>

(10) Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Wages and bonus payable	\$ 90,292	\$ 96,568	\$ 86,980
Labor and health insurance fees payable	5,019	4,757	4,822
Employees' compensation and directors' remuneration payable	20,008	23,503	17,013
Other accrued expenses	13,751	21,236	12,495
	<u>\$ 129,070</u>	<u>\$ 146,064</u>	<u>\$ 121,310</u>

(11) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$947, \$824, \$2,840 and \$2,473 for the three months and nine months ended September 30, 2023 and 2022, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2024 amount to \$1,786.

B. Defined contribution plans:

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount no less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2023 and 2022 were \$3,414, \$3,313, \$10,138 and \$9,732, respectively.
- (b) The Company’s mainland China subsidiary, APLUSOFT (SUZHOU) CORPORATION, has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage was 7% for the three months and nine months ended September 30, 2023 and 2022. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plan of APLUSOFT (SUZHOU) CORPORATION for the three months and nine months ended September 30, 2023 and 2022 were \$89, \$88, \$314 and \$242, respectively.

(12) Provisions

	Warranty	
	2023	2022
Balance at January 1	\$ 7,631	\$ 5,003
Additional provisions	3,764	3,510
Used during the period	(2,222)	(2,226)
Unused amounts reversed	(5,398)	(1,425)
Balance at September 30	<u>\$ 3,775</u>	<u>\$ 4,862</u>

Analysis of total provisions:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current	<u>\$ 3,775</u>	<u>\$ 7,631</u>	<u>\$ 4,862</u>

The Group provides warranties on project contract, and the provision for warranty is estimated based on historical warranty data.

(13) Share capital

As of September 30, 2023, the Company’s authorised capital was \$1,156,000 (including 10 million shares reserved for employee stock options and 20 million shares reserved for convertible bonds issued by the Company), and the paid-in capital was \$472,539, consisting of 47,254 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share.

(14) Capital surplus

2023					
	Share premium	Treasury share transactions	Donated assets received	Changes in equity of associates and joint ventures accounted for using equity method	Total
At January 1	\$ 92,839	\$ 48,738	\$ 318	\$ 16,869	\$ 158,764
Disposal of investments using the equity method	-	-	-	(1,802)	(1,802)
Other (Note)	-	-	(2)	-	(2)
At September 30	<u>\$ 92,839</u>	<u>\$ 48,738</u>	<u>\$ 316</u>	<u>\$ 15,067</u>	<u>\$ 156,960</u>
2022					
	Share premium	Treasury share transactions	Donated assets received	Changes in equity of associates and joint ventures accounted for using equity method	Total
At January 1	\$ 92,839	\$ 48,738	\$ 254	\$ 1,047	\$ 142,878
Recognition of change in equity of associates not in proportion to the Group's shareholding interest	-	-	-	(147)	(147)
At September 30	<u>\$ 92,839</u>	<u>\$ 48,738</u>	<u>\$ 254</u>	<u>\$ 900</u>	<u>\$ 142,731</u>

Note: For the nine months ended September 30, 2023, the Company returned the previously collected overdue dividends of \$2, which had been outstanding for more than five years to the shareholders.

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed

10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

- B. Refer to Note 6(6) for details of decrease in capital surplus due to disposal of shares in associates for the nine months ended September 30, 2023.
- C. Refer to Note 6(6) for details of adjustment in capital surplus due to participation in the capital increase by cash of associates for the nine months ended September 30, 2022.

(15) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following methods and order:
 - (a) Pay all taxes.
 - (b) Offset prior years' operating losses.
 - (c) 10% of the remaining amount shall be set aside as legal reserve.
 - (d) Set aside or reverse a special reserve in accordance with related laws.

The remaining earnings shall be distributed as dividends to shareholders which shall be proposed by the Board of Directors and resolved by the shareholders, The Board of Directors may decide not to distribute earnings for operation needs.

- B. As the Company is engaged in information technology, which is a rapidly advance and growing market, the dividend policy of the Company is based on the company capital expenditure requirement and optimal financial plan for long-term operations. When the Board of Directors propose the distribution of retained earnings after deducting (a)~(d) above, the Board of Directors will propose the distribution of cash dividends and share dividends based on the operating requirements. Cash dividends shall comprise not less than 10% of total dividends distributed. However, the proportion of cash dividend could be adjusted based on the operating situation of current year.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. Distribution of retained earnings:

On June 21, 2023 and June 23, 2022, the shareholders during their meeting resolved the distribution of 2022 and 2021 retained earnings, respectively, as follows:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 14,528		\$ 11,892	
(Reversal of) appropriation for special reserve	(3,198)		1,002	
Cash dividends	133,948	\$ 2.83	106,029	\$ 2.24

(16) Operating revenue

	Three months ended September 30	
	2023	2022
Revenue from contracts with customers		
Sales revenue	\$ 4,764	\$ 8,006
Services revenue	178,482	189,251
	<u>\$ 183,246</u>	<u>\$ 197,257</u>
	Nine months ended September 30	
	2023	2022
Revenue from contracts with customers		
Sales revenue	\$ 21,303	\$ 25,708
Services revenue	556,545	547,715
	<u>\$ 577,848</u>	<u>\$ 573,423</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major geographical regions:

Three months ended September 30, 2023 (Note)	Asia	America	Taiwan	Others	Total
Total segment revenue					
Revenue from external customer contracts	\$ 21,419	\$ -	\$ 161,653	\$ 174	\$ 183,246
Inter-segment	4,064	-	-	-	4,064
	<u>\$ 25,483</u>	<u>\$ -</u>	<u>\$ 161,653</u>	<u>\$ 174</u>	<u>\$ 187,310</u>
Timing of revenue recognition					
At a point in time	\$ 962	\$ -	\$ 3,802	\$ -	\$ 4,764
Over time	20,457	-	157,851	174	178,482
	\$ 21,419	\$ -	\$ 161,653	\$ 174	\$ 183,246

Three months ended September 30, 2022 (Note)					
	Asia	America	Taiwan	Others	Total
Total segment revenue					
Revenue from external customer contracts	\$ 21,132	\$ 60	\$ 176,065	\$ -	\$ 197,257
Inter-segment	1,352	-	-	-	1,352
	<u>\$ 22,484</u>	<u>\$ 60</u>	<u>\$ 176,065</u>	<u>\$ -</u>	<u>\$ 198,609</u>
Timing of revenue recognition					
At a point in time	\$ 288	\$ -	\$ 7,718	\$ -	\$ 8,006
Over time	20,844	60	168,347	-	189,251
	<u>\$ 21,132</u>	<u>\$ 60</u>	<u>\$ 176,065</u>	<u>\$ -</u>	<u>\$ 197,257</u>
Nine months ended September 30, 2023 (Note)					
	Asia	America	Taiwan	Others	Total
Total segment revenue					
Revenue from external customer contracts	\$ 58,319	\$ 62	\$ 518,946	\$ 521	\$ 577,848
Inter-segment	9,447	-	-	-	9,447
	<u>\$ 67,766</u>	<u>\$ 62</u>	<u>\$ 518,946</u>	<u>\$ 521</u>	<u>\$ 587,295</u>
Timing of revenue recognition					
At a point in time	\$ 2,537	\$ -	\$ 18,766	\$ -	\$ 21,303
Over time	55,782	62	500,180	521	556,545
	<u>\$ 58,319</u>	<u>\$ 62</u>	<u>\$ 518,946</u>	<u>\$ 521</u>	<u>\$ 577,848</u>
Nine months ended September 30, 2022 (Note)					
	Asia	America	Taiwan	Others	Total
Total segment revenue					
Revenue from external customer contracts	\$ 58,425	\$ 199	\$ 514,799	\$ -	\$ 573,423
Inter-segment	9,250	-	-	-	9,250
	<u>\$ 67,675</u>	<u>\$ 199</u>	<u>\$ 514,799</u>	<u>\$ -</u>	<u>\$ 582,673</u>
Timing of revenue recognition					
At a point in time	\$ 845	\$ -	\$ 24,863	\$ -	\$ 25,708
Over time	57,580	199	489,936	-	547,715
	<u>\$ 58,425</u>	<u>\$ 199</u>	<u>\$ 514,799</u>	<u>\$ -</u>	<u>\$ 573,423</u>

Note: Segmental information is provided in Note 14.

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	<u>January 1, 2022</u>
Contract assets -				
customer contract	<u>\$ 160,507</u>	<u>\$ 99,294</u>	<u>\$ 97,376</u>	<u>\$ 87,200</u>
Contract liabilities -				
advance receipts				
from customers	<u>\$ 217,413</u>	<u>\$ 156,697</u>	<u>\$ 147,443</u>	<u>\$ 141,855</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Revenue recognised that was included in the contract liabilities balance at the beginning of the period		
Advance receipts	<u>\$ 14,990</u>	<u>\$ 13,090</u>
	<u>Nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Revenue recognised that was included in the contract liabilities balance at the beginning of the period		
Advance receipts	<u>\$ 60,244</u>	<u>\$ 61,253</u>

The Group does not expect to have any contracts wherein the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year or contracts that are billed in accordance with actual service hour. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(17) Interest income

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	<u>\$ 2,715</u>	<u>\$ 593</u>
Interest income from financial assets measured at amortised cost	<u>1,309</u>	<u>820</u>
	<u>\$ 4,024</u>	<u>\$ 1,413</u>

	Nine months ended September 30	
	2023	2022
Interest income from bank deposits	\$ 5,755	\$ 1,478
Interest income from financial assets measured at amortised cost	6,448	1,872
	<u>\$ 12,203</u>	<u>\$ 3,350</u>

(18) Other income

	Three months ended September 30	
	2023	2022
Commission income	\$ -	\$ 255
Others	130	634
	<u>\$ 130</u>	<u>\$ 889</u>

	Nine months ended September 30	
	2023	2022
Commission income	\$ 181	\$ 513
Others	470	952
	<u>\$ 651</u>	<u>\$ 1,465</u>

(19) Other gains and losses

	Three months ended September 30	
	2023	2022
Foreign exchange gains	\$ 16,894	\$ 25,053
Gains on disposal of investments	16,342	-
Miscellaneous disbursements	(26)	(159)
	<u>\$ 33,210</u>	<u>\$ 24,894</u>

	Nine months ended September 30	
	2023	2022
Foreign exchange gains	\$ 19,502	\$ 50,021
Gains on disposal of investments	61,776	-
Miscellaneous disbursements	(362)	(1,251)
	<u>\$ 80,916</u>	<u>\$ 48,770</u>

(20) Expenses by nature

	Three months ended September 30	
	2023	2022
Employee benefit expense	\$ 126,905	\$ 115,387
Depreciation charges on property, plant and equipment	581	672
Depreciation charges on right-of-use assets	4,196	4,226
Amortisations	99	85
Operating lease payments	332	337
Outsourcing software	45,064	42,243
Reversal of expected credit losses	(1,074)	(960)
Other expenses	(4,658)	6,683
Cost of sales	3,146	5,519
Operating costs and expenses	<u>\$ 174,591</u>	<u>\$ 174,192</u>
	Nine months ended September 30	
	2023	2022
Employee benefit expense	\$ 365,475	\$ 340,345
Depreciation charges on property, plant and equipment	1,580	2,072
Depreciation charges on right-of-use assets	12,605	12,692
Amortisations	295	255
Operating lease payments	967	968
Outsourcing software	142,310	118,437
Reversal of expected credit losses	(4,803)	(735)
Other expenses	4,372	25,801
Cost of sales	15,065	19,708
Operating costs and expenses	<u>\$ 537,866</u>	<u>\$ 519,543</u>

(21) Employee benefit expense

	Three months ended September 30	
	2023	2022
Wages and salaries	\$ 109,479	\$ 98,543
Labor and health insurance fees	7,981	7,640
Pension costs	4,450	4,225
Other personnel expenses	4,995	4,979
	<u>\$ 126,905</u>	<u>\$ 115,387</u>

	Nine months ended September 30	
	2023	2022
Wages and salaries	\$ 310,129	\$ 291,136
Labor and health insurance fees	26,935	22,785
Pension costs	13,292	12,447
Other personnel expenses	15,119	13,977
	<u>\$ 365,475</u>	<u>\$ 340,345</u>

- A. As of September 30, 2023 and 2022, the Group had 322 and 308 employees, respectively.
- B. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% and not higher than 15% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- C. For the three months and nine months ended September 30, 2023 and 2022, employees' compensation was accrued at \$4,685, \$5,715, \$15,006 and \$12,760, respectively; while directors' remuneration was accrued at \$1,562, \$1,905, \$5,002 and \$4,253, respectively. The aforementioned amounts were recognised in salary expenses.
- D. Employees' compensation and directors' remuneration were estimated and accrued based on 9% and 3% of distributable profit of current year for the nine months ended September 30, 2023, respectively.
- E. Employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.
- F. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 3,400	\$ 7,179
Deferred tax:		
Origination and reversal of temporary differences	1,531	331
Income tax expense	<u>\$ 4,931</u>	<u>\$ 7,510</u>
	Nine months ended September 30	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 7,228	\$ 20,081
Prior year income tax over estimation	(102)	(118)
Total current tax	<u>7,126</u>	<u>19,963</u>
Deferred tax:		
Origination and reversal of temporary differences	7,399	1,164
Income tax expense	<u>\$ 14,525</u>	<u>\$ 21,127</u>

(b) The income tax charge relating to components of other comprehensive income and loss is as follows:

	Three months ended September 30	
	2023	2022
Currency translation differences	<u>\$ 670</u>	<u>\$ 431</u>
	Nine months ended September 30	
	2023	2022
Currency translation differences	<u>\$ 86</u>	<u>\$ 920</u>

B. As of September 30, 2023, the Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. On January 6, 2023, the Company has paid \$128 as the tax payable for the year ended December 31, 2020 based on the approved assessment results, which requires additional payment.

C. ARES GROUP CORP., WELJOIN TECHNOLOGIES LIMITED (BVI) and SHARP KEEN MANAGEMENT LIMITED are companies that were established in Seychelles and British Virgin Islands, respectively. These companies have no income tax.

(23) Earnings per share

Three months ended September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 40,916	47,254	\$ 0.87
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 40,916	47,254	
Assumed conversion of all dilutive potential ordinary shares	-	290	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 40,916	47,544	\$ 0.86
Three months ended September 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 48,401	47,254	\$ 1.02
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 48,401	47,254	
Assumed conversion of all dilutive potential ordinary shares	-	527	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 48,401	47,781	\$ 1.01

Nine months ended September 30, 2023			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 132,165</u>	<u>47,254</u>	<u>\$ 2.80</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 132,165	47,254	
Assumed conversion of all dilutive potential ordinary shares	<u>-</u>	<u>290</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 132,165</u>	<u>47,544</u>	<u>\$ 2.78</u>
Nine months ended September 30, 2022			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 103,503</u>	<u>47,254</u>	<u>\$ 2.19</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 103,503	47,254	
Assumed conversion of all dilutive potential ordinary shares	<u>-</u>	<u>527</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 103,503</u>	<u>47,781</u>	<u>\$ 2.17</u>

(24) Changes in liabilities from financing activities

	2023		2022	
	Liabilities from financing		Liabilities from financing	
	<u>Lease liabilities</u>	<u>activities-gross</u>	<u>Lease liabilities</u>	<u>activities-gross</u>
At January 1	\$ 6,971	\$ 6,971	\$ 20,961	\$ 20,961
Changes in cash flow from financing activities	(12,903)	(12,903)	(12,736)	(12,736)
Impact of changes in foreign exchange rate	(4)	(4)	97	97
Changes in other non-cash items	26,826	26,826	2,951	2,951
At September 30	<u>\$ 20,890</u>	<u>\$ 20,890</u>	<u>\$ 11,273</u>	<u>\$ 11,273</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ARGO INTERNATIONAL CORPORATION	Associate
M-POWER INFORMATION CO., LTD.	"
ARES INTERNATIONAL (THAILAND) CO., LTD.	"
MYSHINE TECHNOLOGY CO., LTD.	"
MiTAC INC.	Key management
SHUTTLE INC.	Other related party

(2) Significant related party transactions

A. Operating revenue

	Three months ended September 30	
	<u>2023</u>	<u>2022</u>
Sales of goods:		
-Associates	\$ -	\$ 1,880
-Key management	44	44
	<u>\$ 44</u>	<u>\$ 1,924</u>
	Nine months ended September 30	
	<u>2023</u>	<u>2022</u>
Sales of goods:		
-Associates	\$ -	\$ 2,724
-Key management	134	134
	<u>\$ 134</u>	<u>\$ 2,858</u>

Most of the transactions in relation to sales, services and maintenance made with related parties are separate cases, thus the transaction prices are determined based on mutual agreement. Except for the payment term of 60 days after monthly billings, other terms would be available to third parties.

B. Purchases

	Three months ended September 30	
	2023	2022
Purchases of services:		
-Associates	(\$ 4)	\$ -
	Nine months ended September 30	
	2023	2022
Purchases of goods:		
-Associates	\$ -	\$ 130
Purchases of services:		
-Associates	628	1,020
	<u>\$ 628</u>	<u>\$ 1,150</u>

- (a) The Group's purchases are made for each system integration projects and are only purchased from related parties. Therefore, the purchase price is determined based on mutual agreement. Except for the payment term of 60 days after monthly billings, other terms would be available to third parties.
- (b) Most of the transactions in relation to services and maintenance made with related parties are separate cases, thus the transaction prices are determined based on mutual agreement. Except for the payment term of 60 days after monthly billings, other terms would be available to third parties.

C. Receivables from related parties

	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable			
-M-POWER			
INFORMATION CO., LTD.	\$ -	\$ 1,108	\$ 347

D. Other receivables from related parties

	September 30, 2023	December 31, 2022	September 30, 2022
Other receivables			
-Associates	\$ 4	\$ -	\$ -

E. Prepayments from related parties

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments			
-Associates	\$ 62	\$ -	\$ 62

- F. In 2021, the Group entered into a three-year Argo ERP maintenance contract with an associate, in the amount of \$748. The Group recognised \$186 as operating expenses for the three months and nine months ended September 30, 2023 and 2022.

G. Acquisition of financial assets:

For the nine months ended September 30, 2023: None.

			<u>Nine months ended September 30, 2022</u>	
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Consideration</u>
	Investments		Common	
Associates	accounted for using the equity method	295,970	stock (Note)	\$ 2,960

Note: Refer to Note 6(6) for details.

(3) Key management compensation

		<u>Three months ended September 30</u>	
		<u>2023</u>	<u>2022</u>
Salaries and other short-term employees' benefits		\$ 15,025	\$ 15,867
		<u>Nine months ended September 30</u>	
		<u>2023</u>	<u>2022</u>
Salaries and other short-term employees' benefits		\$ 53,098	\$ 51,019

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	
Time deposits (shown as financial assets at amortised cost - current)	\$ 3,207	\$ 3,635	\$ 6,385	Bid bond
Guarantee deposits paid (shown as other current assets)	47,007	50,489	46,416	Bid bond and performance bond
Guarantee deposits paid (shown as other non-current assets)	7,643	7,642	7,666	Guarantees provided for leasing
	<u>\$ 57,857</u>	<u>\$ 61,766</u>	<u>\$ 60,467</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Software products	\$ 9,901	\$ 10,740	\$ 5,274

B. As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group issued promissory notes amounting to \$0 , \$0 and \$240, respectively, for the execution of contract projects.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. Others

(1) Capital management

There was no significant change during the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2022.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			
Financial assets at amortised cost/Loans and receivables			
Cash and cash equivalents	\$ 591,320	\$ 574,013	\$ 482,271
Current financial assets at amortised cost	294,340	316,110	324,668
Notes receivable	213	26	90
Accounts receivable	83,345	122,541	140,017
Accounts receivable due from related parties	-	1,108	347
Other receivables	5,992	2,444	1,632
Other receivables due from related parties	4	-	-
Guarantee deposits paid (shown as other current assets)	47,007	50,489	46,416
Guarantee deposits paid (shown as other non-current assets)	7,643	7,642	7,666
	<u>\$ 1,029,864</u>	<u>\$ 1,074,373</u>	<u>\$ 1,003,107</u>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 52,414	\$ 50,455	\$ 48,748
Other payables	129,070	146,064	121,310
	<u>\$ 181,484</u>	<u>\$ 196,519</u>	<u>\$ 170,058</u>
Lease liabilities	<u>\$ 20,890</u>	<u>\$ 6,971</u>	<u>\$ 11,273</u>

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2022.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 10,035	32.27	\$ 323,829
HKD:NTD	19,890	4.12	81,947
AUD:NTD	487	20.55	10,008
EUR:NTD	114	33.91	3,866
RMB:NTD	22,319	4.42	98,650
USD:RMB	260	7.30	8,389
RMB:USD	1	0.14	5
<u>Non-monetary items</u>			
USD:NTD	488	32.27	15,745
THB:NTD	3,530	0.88	3,115

December 31, 2022			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 9,576	30.71	\$ 294,079
HKD:NTD	19,491	3.94	76,795
AUD:NTD	482	20.83	10,040
EUR:NTD	114	32.72	3,730
RMB:NTD	21,165	4.41	93,338
USD:RMB	231	6.96	7,090
RMB:USD	1,082	0.14	4,652
<u>Non-monetary items</u>			
USD:NTD	598	30.71	18,351
THB:NTD	5,230	0.89	4,676

September 30, 2022			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 9,483	31.75	\$ 301,085
HKD:NTD	19,127	4.04	77,273
AUD:NTD	481	20.66	9,937
EUR:NTD	114	31.26	3,564
RMB:NTD	21,181	4.46	94,467
USD:RMB	205	7.12	6,510
RMB:USD	1,081	0.14	4,805
<u>Non-monetary items</u>			
USD:NTD	587	31.75	18,650
THB:NTD	5,472	0.85	4,625

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2023 and 2022, amounted to \$16,894, \$25,053, \$19,502 and \$50,021, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1.00%	\$ 3,238	\$ -
HKD:NTD	1.00%	819	-
AUD:NTD	1.00%	100	-
EUR:NTD	1.00%	39	-
RMB:NTD	1.00%	987	-
USD:RMB	1.00%	84	-
RMB:USD	1.00%	-	-
<u>Non-monetary items</u>			
USD:NTD	1.00%	-	157
THB:NTD	1.00%	-	31

Nine months ended September 30, 2022			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1.00%	\$ 3,011	\$ -
HKD:NTD	1.00%	773	-
AUD:NTD	1.00%	99	-
EUR:NTD	1.00%	36	-
RMB:NTD	1.00%	945	-
USD:RMB	1.00%	65	-
RMB:USD	1.00%	48	-
<u>Non-monetary items</u>			
USD:NTD	1.00%	-	187
THB:NTD	1.00%	-	46

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic beneficiary certificates and equity instrument issued by foreign listed companies. The prices of equity securities would change due to the variation of the future value of investee companies. If the prices of these equity securities had increased or decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2023 and 2022 would have increased or decreased both by \$0, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the

credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix, loss rate methodology to estimate expected credit loss.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. As of September 30, 2023, December 31, 2022, and September 30, 2022, the provision matrix and loss rate methodology are as follows:

<u>Group 1</u>	<u>Not past due</u>	<u>Up to 90 days</u>	<u>91-180 days</u>	<u>181-270 days</u>	<u>Over 270 days</u>	<u>Total</u>
<u>September 30, 2023</u>						
Expected loss rate	1.38%~ 3.23%	4.18%~ 13.87%	10.42%~ 25%	12.75%~ 35.83%	100%	
Total book value	\$ 59,209	\$ 14,448	\$ 2,262	\$ 842	\$ 5,469	\$ 82,230
Loss allowance	\$ 876	\$ 843	\$ 256	\$ 173	\$ 5,469	\$ 7,617

<u>Group 1</u>	<u>Not past due</u>	<u>Up to 90 days</u>	<u>91-180 days</u>	<u>181-270 days</u>	<u>Over 270 days</u>	<u>Total</u>
<u>December 31, 2022</u>						
Expected loss rate	1.29%~ 3.00%	5.06%~ 31.60%	9.34%~ 100%	8.62%~ 100%	100%	
Total book value	\$ 92,271	\$ 15,107	\$ 511	\$ 2,693	\$ 9,503	\$ 120,085
Loss allowance	\$ 1,295	\$ 1,059	\$ 261	\$ 304	\$ 9,503	\$ 12,422
<u>Group 1</u>	<u>Not past due</u>	<u>Up to 90 days</u>	<u>91-180 days</u>	<u>181-270 days</u>	<u>Over 270 days</u>	<u>Total</u>
<u>September 30, 2022</u>						
Expected loss rate	0%	0%	0%~ 0.02%	0.11%~ 4.81%	100%	
Total book value	\$ 88,284	\$ 16,710	\$ 3,021	\$ 3,172	\$ 6,532	\$ 117,719
Loss allowance	\$ 12	\$ 28	\$ -	\$ 4	\$ 6,532	\$ 6,576
	<u>Group 2</u>		<u>Group 3</u>		<u>Total</u>	
<u>September 30, 2023</u>						
Expected loss rate		0%		0%		
Total book value	\$	7,818	\$	914	\$	8,732
Loss allowance	\$	-	\$	-	\$	-
	<u>Group 2</u>		<u>Group 3</u>		<u>Total</u>	
<u>December 31, 2022</u>						
Expected loss rate		0%		0%		
Total book value	\$	10,761	\$	4,117	\$	14,878
Loss allowance	\$	-	\$	-	\$	-
	<u>Group 2</u>		<u>Group 3</u>		<u>Total</u>	
<u>September 30, 2022</u>						
Expected loss rate		0%		0%		
Total book value	\$	28,677	\$	197	\$	28,874
Loss allowance	\$	-	\$	-	\$	-

Group 1: General business

Group 2: Government-owned corporation

Group 3: Government organisations

viii. As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group has no contract assets and its related loss allowance.

- ix. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable and contract assets are as follows:

2023				
	Accounts receivable	Contract assets	Notes receivable	Total
At January 1	\$ 12,422	\$ -	\$ -	\$ 12,422
Reversal of impairment loss	(4,803)	-	-	(4,803)
Effects of foreign exchange	(2)	-	-	(2)
At September 30	<u>\$ 7,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,617</u>

2022				
	Accounts receivable	Contract assets	Notes receivable	Total
At January 1	\$ 7,232	\$ -	\$ -	\$ 7,232
Reversal of impairment loss	(735)	-	-	(735)
Effects of foreign exchange	79	-	-	79
At September 30	<u>\$ 6,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,576</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>Non-derivative financial liabilities:</u>	Less than 3 months	Between 3 months and 2 years	Between 2 and 5 years	Total
September 30, 2023				
Accounts payable	\$ 49,976	\$ 2,438	\$ -	\$ 52,414
Other payables	107,324	21,746	-	129,070
Lease liabilities	4,360	16,647	259	21,266
	<u>\$ 161,660</u>	<u>\$ 40,831</u>	<u>\$ 259</u>	<u>\$ 202,750</u>

<u>Non-derivative financial liabilities:</u>	Less than	Between 3	Between 2 and	
December 31, 2022	3 months	months and 2 years	5 years	Total
Accounts payable	\$ 49,935	\$ 520	\$ -	\$ 50,455
Other payables	121,202	24,862	-	146,064
Lease liabilities	2,086	4,477	592	7,155
	<u>\$ 173,223</u>	<u>\$ 29,859</u>	<u>\$ 592</u>	<u>\$ 203,674</u>
<u>Non-derivative financial liabilities:</u>	Less than	Between 3	Between 2 and	
September 30, 2022	3 months	months and 2 years	5 years	Total
Accounts payable	\$ 48,619	\$ 129	\$ -	\$ 48,748
Other payables	101,067	20,243	-	121,310
Lease liabilities	4,355	6,478	703	11,536
	<u>\$ 154,041</u>	<u>\$ 26,850</u>	<u>\$ 703</u>	<u>\$ 181,594</u>

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in financial assets at fair value through other comprehensive income is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable and other payables are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income	\$ -	\$ -	\$ -	\$ -

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income	\$ -	\$ -	\$ -	\$ -
September 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income	\$ -	\$ -	\$ -	\$ -

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Closed-end fund</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Closing price	Net asset value

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

- E. For the nine months ended September 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. For the nine months ended September 30, 2023 and 2022, there was no transfer into or out from Level 3.
- G. Finance segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. Valuation techniques of fair value that the Group used in level 3 are net asset value and market comparable companies. The significant unobservable input of market comparable companies is the discount for lack of marketability. If the input and discount for lack of marketability are higher, the fair value will be lower.

(4) Other matter

During the COVID-19 pandemic, the Group was able to maintain its normal operations amidst the various preventive measures imposed by the government. Based on the Group's assessment, the pandemic had no significant impact on its ability to continue as a going concern, impairment of assets and financing risks.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 2.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 3.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 4.

14. SEGMENT INFORMATION

(1) General information

A. Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

B. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Segment information

The Group's segment profit and loss is measured with the operating income and loss, which is used as a basis for the Group in assessing the performance of the operating segments. The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Nine months ended September 30, 2023:

	Commercial segment	Financial business segment	Project segment	Total
Revenue from external customers	\$ 314,662	\$ 166,872	\$ 96,314	\$ 577,848
Inter-segment revenue	9,447	-	-	9,447
Total segment revenue	<u>\$ 324,109</u>	<u>\$ 166,872</u>	<u>\$ 96,314</u>	<u>\$ 587,295</u>
Segment income	<u>\$ 19,453</u>	<u>\$ 27,360</u>	<u>\$ 2,616</u>	<u>\$ 49,429</u>
Segment income (loss), including:				
Depreciation and amortisation	<u>(\$ 6,933)</u>	<u>(\$ 5,867)</u>	<u>(\$ 1,680)</u>	<u>(\$ 14,480)</u>

Nine months ended September 30, 2022:

	Commercial segment	Financial business segment	Project segment	Total
Revenue from external customers	\$ 289,752	\$ 165,257	\$ 118,414	\$ 573,423
Inter-segment revenue	9,250	-	-	9,250
Total segment revenue	<u>\$ 299,002</u>	<u>\$ 165,257</u>	<u>\$ 118,414</u>	<u>\$ 582,673</u>
Segment income	<u>\$ 47,007</u>	<u>\$ 12,571</u>	<u>\$ 3,552</u>	<u>\$ 63,130</u>
Segment income (loss), including:				
Depreciation and amortisation	<u>(\$ 6,556)</u>	<u>(\$ 5,716)</u>	<u>(\$ 2,747)</u>	<u>(\$ 15,019)</u>

The Group did not disclose the information in relation to segment assets and segment liabilities as this information is not provided to the Chief Operating Decision-Maker.

(3) Reconciliation for segment income and loss

The segment operating income reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. The Group did not provide the amounts of total assets and total liabilities to the Chief Operating Decision-Maker for making

operating decisions. The reconciliation on segment revenue, operating revenue, segment income/loss and income/loss before tax from continuing operations of reportable segment are as follows:

Profit or loss	Nine months ended September 30	
	2023	2022
Total reportable segment revenue	\$ 587,295	\$ 582,673
Write-off of inter-segment revenue	(9,447)	(9,250)
Operating revenue	<u>\$ 577,848</u>	<u>\$ 573,423</u>
Profit or loss	Nine months ended September 30	
	2023	2022
Segment income	\$ 49,429	\$ 63,130
Adjustments and write-offs	(9,447)	(9,250)
Non-operating income and expenses	<u>106,700</u>	<u>70,665</u>
Income before tax from continuing operations	<u>\$ 146,682</u>	<u>\$ 124,545</u>

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Nine months ended September 30, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2023				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
ARES INTERNATIONAL CORP.	Common shares/Formosa First Country Club	-	Financial assets at fair value through other comprehensive income	2,025	\$ -	0.01%	\$ -	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS9, 'Financial instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is a non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

ARES INTERNATIONAL CORP. AND SUBSIDIARIES

Names, locations, and related information on investees (excluding information on investment in Mainland China)

Nine months ended September 30, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 2(3))	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
ARES INTERNATIONAL CORP.	ARGO INTERNATIONAL CORPORATION	Taiwan	Provides professional service of computer application software and sells computer peripheral equipments	\$ 16,974	\$ 16,974	1,863,446	33.88	\$ 28,687	\$ 20,127	\$ 6,160	
"	M-POWER INFORMATION CO., LTD.	"	Agency and sale of database system and professional service of software	25,255	28,541	3,843,015	17.47	81,362	68,676	13,049	
"	MYSHINE TECHNOLOGY CO., LTD.	"	Front-end IoT integration and back-end management platform solution research and development application	3,000	-	200,000	40.00	1,714 (	5,768) (	1,286)	
"	ARES GROUP CORP.	Seychelles	Investment business	35,029	35,029	1,500,000	100.00	16,061 (	2,915) (	2,915)	Subsidiary
"	ARES INTERNATIONAL (THAILAND) CO., LTD.	Thailand	Provides professional service of computer application software and sells computer peripheral equipments	6,865	6,865	1,470,000	49.00	3,115 (	3,126) (	1,532)	
"	WELJOIN TECHNOLOGIES LIMITED (BVI)	British Virgin Islands	Investment business	26,177	26,177	50,000	100.00	30,533 (	611) (	611)	Subsidiary
ARES GROUP CORP.	SHARP KEEN MANAGEMENT LIMITED	"	"	34,115	34,115	1,120,000	100.00	15,813 (	2,916)	Note 3	Subsidiary
SHARP KEEN MANAGEMENT LIMITED	BLITZ IT CONSULTANTS PTE LTD.	Singapore	Agency of computer software and internet	33,256	33,256	484,000	25.00	15,745 (	11,666)	Note 3	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at September 30, 2023’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.

(2)The ‘Net profit (loss) of the investee for the nine months ended September 30, 2023’ column should fill in amount of net profit (loss) of the investee for this period.

(3)The ‘Investment income (loss) recognised by the Company for the nine months ended September 30, 2023’ column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Investment income (loss) for the period was recognised by subsidiaries of investees.

Table 2 Page 1

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
Information on investments in Mainland China
Nine months ended September 30, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

<u>Investment flows</u>												Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Note
Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method	Beginning balance of accumulated outflow of investment from Taiwan	Remitted to Mainland China	Remitted back to Taiwan	Ending balance of accumulated outflow of investment from Taiwan	Net income of investee for the nine months ended September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 2)	Book value of investments in Mainland China as of September 30, 2023		
APLUSOFT (SUZHOU) CORPORATION.	Research and development of enterprise management software and sale of self-produce product of the Company	\$ 25,228	Note1	\$ 11,732	-	\$ 4,699	\$ 7,033	(\$ 204)	95.88	(\$ 195)	\$ 29,078	\$ 18,669	Note 4

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China. The investee in the third area is WELJOIN TECHNOLOGIES LIMITED (BVI).

Note 2: The financial statements were not reviewed by independent auditors.

Note 3: The paid-in capital of Aplusoft (Suzhou) Corporation amounted to RMB5,215,000 (USD750,592).

Note 4: Cash dividends included in the accumulated amount of investment income remitted back to Taiwan which had been approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) amounted to \$4,699 (RMB 1,080,030.67/USD 148,160.48).

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ARES INTERNATIONAL CORP.	\$ 56,479	\$ 77,296	\$ 524,410

ARES INTERNATIONAL CORP. AND SUBSIDIARIES

Major shareholders information

September 30, 2023

Table 4

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
YU, HONG-YANG	\$ 3,558,449	7.53%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis or the differences.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, the shareholders have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.