

**ARES INTERNATIONAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2024 AND 2023**

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, 2024 and 2023, 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 material 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

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\$183,190 thousand and NT\$180,595 thousand, constituting 13.60% and 12.77% of the consolidated total assets, and total liabilities amounting to NT\$21,230 thousand and NT\$15,194 thousand, constituting 4.24% and 2.81% of the consolidated total liabilities

as of September 30, 2024 and 2023, respectively, and total comprehensive income (including share of profit (loss) of associates and joint ventures accounted for using equity method) amounting to NT\$2,579 thousand, (NT\$5,141) thousand, NT\$9,708 thousand, and NT\$9,515 thousand, constituting 7.61%, (11.75%), 11.12% and 7.17% 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 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, 2024 and 2023, 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 8, 2024

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, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 536,691	40	\$ 553,759	38	\$ 591,320	42
1136	Financial assets at amortised cost -	6(2) and 8						
	current		277,706	21	396,707	27	294,340	21
1140	Contract assets - current	6(16)	156,921	12	139,382	10	160,507	11
1150	Notes receivable, net	6(3)	500	-	237	-	213	-
1170	Accounts receivable, net	6(3)	79,720	6	76,592	5	83,345	6
1180	Accounts receivable - related	7						
	parties, net		402	-	1,284	-	-	-
1200	Other receivables		6,407	-	3,842	-	5,992	1
1210	Other receivables - related parties	7	-	-	-	-	4	-
1410	Prepayments	6(4) and 7	37,186	3	41,588	3	41,296	3
1470	Other current assets	8	57,822	4	49,906	4	47,007	3
11XX	Total current assets		<u>1,153,355</u>	<u>86</u>	<u>1,263,297</u>	<u>87</u>	<u>1,224,024</u>	<u>87</u>
Non-current assets								
1550	Investments accounted for using	6(6)						
	the equity method		133,422	10	136,185	9	130,623	9
1600	Property, plant and equipment, net	6(7)	5,996	-	4,299	-	4,881	-
1755	Right-of-use assets	6(8)	13,510	1	16,382	1	20,590	1
1780	Intangible assets		563	-	768	-	866	-
1840	Deferred income tax assets		30,492	2	30,910	2	25,213	2
1900	Other non-current assets	8	9,249	1	7,635	1	7,643	1
15XX	Total non-current assets		<u>193,232</u>	<u>14</u>	<u>196,179</u>	<u>13</u>	<u>189,816</u>	<u>13</u>
1XXX	Total assets		<u>\$ 1,346,587</u>	<u>100</u>	<u>\$ 1,459,476</u>	<u>100</u>	<u>\$ 1,413,840</u>	<u>100</u>

(Continued)

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Contract liabilities - current	6(16)	\$ 219,940	16	\$ 175,267	12	\$ 217,413	16
2170	Accounts payable	6(9)	51,519	4	69,487	5	52,414	4
2180	Accounts payable - related parties	7	-	-	314	-	-	-
2200	Other payables	6(10)	122,602	9	151,306	10	129,070	9
2230	Current income tax liabilities		1,709	-	16,678	1	4,441	-
2250	Provisions for liabilities - current	6(12)	1,309	-	2,740	-	3,775	-
2280	Current lease liabilities		8,887	1	14,939	1	15,685	1
21XX	Total current liabilities		<u>405,966</u>	<u>30</u>	<u>430,731</u>	<u>29</u>	<u>422,798</u>	<u>30</u>
Non-current liabilities								
2580	Non-current lease liabilities		5,074	-	1,716	-	5,205	-
2640	Non-current accrued pension liabilities		89,462	7	113,049	8	111,820	8
25XX	Total non-current liabilities		<u>94,536</u>	<u>7</u>	<u>114,765</u>	<u>8</u>	<u>117,025</u>	<u>8</u>
2XXX	Total liabilities		<u>500,502</u>	<u>37</u>	<u>545,496</u>	<u>37</u>	<u>539,823</u>	<u>38</u>
Equity attributable to owners of parent								
	Share capital	6(13)						
3110	Common stock		472,539	35	472,539	33	472,539	33
	Capital surplus	6(14)						
3200	Capital surplus		157,057	12	156,960	10	156,960	12
	Retained earnings	6(15)						
3310	Legal reserve		112,199	9	94,962	7	94,962	7
3320	Special reserve		3,943	-	4,146	-	4,146	-
3350	Unappropriated retained earnings		98,675	7	185,624	13	145,428	10
	Other equity interest							
3400	Other equity interest		(1,955)	-	(3,943)	-	(3,801)	-
31XX	Equity attributable to owners of the parent		<u>842,458</u>	<u>63</u>	<u>910,288</u>	<u>63</u>	<u>870,234</u>	<u>62</u>
36XX	Non-controlling interest		<u>3,627</u>	<u>-</u>	<u>3,692</u>	<u>-</u>	<u>3,783</u>	<u>-</u>
3XXX	Total equity		<u>846,085</u>	<u>63</u>	<u>913,980</u>	<u>63</u>	<u>874,017</u>	<u>62</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 1,346,587</u>	<u>100</u>	<u>\$ 1,459,476</u>	<u>100</u>	<u>\$ 1,413,840</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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(16) and 7	\$ 225,090	100	\$ 183,246	100	\$ 594,444	100	\$ 577,848	100
5000 Operating costs	6(20)(21)								
	and 7	(121,757)	(54)	(108,810)	(59)	(362,644)	(61)	(358,565)	(62)
5950 Gross profit		<u>103,333</u>	<u>46</u>	<u>74,436</u>	<u>41</u>	<u>231,800</u>	<u>39</u>	<u>219,283</u>	<u>38</u>
Operating expenses	6(20)(21)								
	and 7								
6100 Selling expenses		(19,560)	(9)	(19,438)	(11)	(54,602)	(9)	(53,853)	(9)
6200 General and administrative expenses		(24,602)	(11)	(21,924)	(12)	(53,071)	(9)	(51,144)	(9)
6300 Research and development expenses		(22,258)	(10)	(25,493)	(14)	(80,461)	(14)	(79,107)	(14)
6450 (Provision for) reversal of expected credit losses	12(2)	(2,762)	(1)	1,074	1	785	-	4,803	1
6000 Total operating expenses		(69,182)	(31)	(65,781)	(36)	(187,349)	(32)	(179,301)	(31)
6900 Operating profit		<u>34,151</u>	<u>15</u>	<u>8,655</u>	<u>5</u>	<u>44,451</u>	<u>7</u>	<u>39,982</u>	<u>7</u>
Non-operating income and expenses									
7100 Interest income	6(17)	4,435	2	4,024	2	14,817	2	12,203	2
7010 Other income	6(18)	1,766	1	130	-	1,938	-	651	-
7020 Other gains and losses	6(19)	(6,925)	(3)	33,210	18	22,798	4	80,916	14
7050 Finance costs	6(8)	(154)	-	(168)	-	(440)	-	(544)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(6)	<u>4,802</u>	<u>2</u>	<u>46</u>	<u>-</u>	<u>15,481</u>	<u>3</u>	<u>13,474</u>	<u>2</u>
7000 Total non-operating income and expenses		<u>3,924</u>	<u>2</u>	<u>37,242</u>	<u>20</u>	<u>54,594</u>	<u>9</u>	<u>106,700</u>	<u>18</u>
7900 Profit before income tax		<u>38,075</u>	<u>17</u>	<u>45,897</u>	<u>25</u>	<u>99,045</u>	<u>16</u>	<u>146,682</u>	<u>25</u>
7950 Income tax expense	6(22)	(5,382)	(3)	(4,931)	(3)	(13,822)	(2)	(14,525)	(2)
8200 Profit for the period		<u>\$ 32,693</u>	<u>14</u>	<u>\$ 40,966</u>	<u>22</u>	<u>\$ 85,223</u>	<u>14</u>	<u>\$ 132,157</u>	<u>23</u>

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ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Three months ended September 30				Nine months ended September 30			
		2024		2023		2024		2023	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
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								
		1,516	1	3,470	2	2,613	1	549	-
8399	Income tax relating to components of other comprehensive loss	6(22)							
		(312)	-	(670)	-	(497)	-	(86)	-
8360	Other comprehensive income that will be reclassified to profit or loss								
		1,204	1	2,800	2	2,116	1	463	-
8300	Other comprehensive income for the year								
		\$ 1,204	1	\$ 2,804	2	\$ 2,116	1	\$ 467	-
8500	Total comprehensive income for the year								
		\$ 33,897	15	\$ 43,770	24	\$ 87,339	15	\$ 132,624	23
Profit (loss) attributable to:									
8610	Owners of the parent								
		\$ 32,803	14	\$ 40,916	22	\$ 85,416	14	\$ 132,165	23
8620	Non-controlling interest								
		(110)	-	50	-	(193)	-	(8)	-
		\$ 32,693	14	\$ 40,966	22	\$ 85,223	14	\$ 132,157	23
Total comprehensive income (loss) attributable to:									
8710	Owners of the parent								
		\$ 34,055	15	\$ 43,599	24	\$ 87,404	15	\$ 132,514	23
8720	Non-controlling interest								
		(158)	-	171	-	(65)	-	110	-
		\$ 33,897	15	\$ 43,770	24	\$ 87,339	15	\$ 132,624	23
Earnings per share (in dollars)									
6(23)									
9750	Basic								
		\$ 0.69		\$ 0.87		\$ 1.81		\$ 2.80	
9850	Diluted								
		\$ 0.69		\$ 0.86		\$ 1.79		\$ 2.78	

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, 2024 AND 2023
(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, 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	-	-	-	-	132,165	-	-	132,165	(8)	132,157	
Profit (loss) for the period	-	-	-	-	4	345	-	349	118	467	
Other comprehensive income for the preiod	-	-	-	-	132,169	345	-	132,514	110	132,624	
Total comprehensive income	6(15)										
Appropriations of 2022 earnings	-	-	14,528	-	(14,528)	-	-	-	-	-	
Legal reserve	-	-	-	(3,198)	3,198	-	-	-	-	-	
Special reserve	-	-	-	-	(133,948)	-	-	(133,948)	-	(133,948)	
Cash dividends	6(14)	(1,802)	-	-	-	-	-	(1,802)	-	(1,802)	
Disposal of investment using the equity method	6(14)	(2)	-	-	-	-	-	(2)	-	(2)	
Others		\$ 472,539	\$ 156,960	\$ 94,962	\$ 4,146	\$ 145,428	(\$ 1,801)	(\$ 2,000)	\$ 870,234	\$ 3,783	\$ 874,017
Balance at September 30, 2023	<u>Nine months ended September 30, 2024</u>										
	\$ 472,539	\$ 156,960	\$ 94,962	\$ 4,146	\$ 185,624	(\$ 1,943)	(\$ 2,000)	\$ 910,288	\$ 3,692	\$ 913,980	
Balance at January 1, 2024	-	-	-	-	85,416	-	-	85,416	(193)	85,223	
Profit (loss) for the period	-	-	-	-	-	1,988	-	1,988	128	2,116	
Other comprehensive income for the preiod	-	-	-	-	85,416	1,988	-	87,404	(65)	87,339	
Total comprehensive income (loss)	6(15)										
Appropriations of 2023 earnings	-	-	17,237	-	(17,237)	-	-	-	-	-	
Legal reserve	-	-	-	(203)	203	-	-	-	-	-	
Special reserve	-	-	-	-	(155,331)	-	-	(155,331)	-	(155,331)	
Cash dividends	6(14)	97	-	-	-	-	-	97	-	97	
Others		\$ 472,539	\$ 157,057	\$ 112,199	\$ 3,943	\$ 98,675	\$ 45	(\$ 2,000)	\$ 842,458	\$ 3,627	\$ 846,085
Balance at September 30, 2024											

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Nine months ended September 30	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 99,045	\$ 146,682
Adjustments			
Adjustments to reconcile (profit) loss			
Reversal of expected credit loss impairment	6(20) and 12(2)	(785)	(4,803)
Depreciation of property, plant and equipment	6(7)(20)	1,918	1,580
Depreciation of right-of-use asset	6(8)(20)	12,742	12,605
Amortisation	6(20)	325	295
Interest income	6(17)	(14,817)	(12,203)
Interest expense	6(8)	440	544
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(15,481)	(13,474)
Gain on disposal of property, plant and equipment	6(19)	(1,276)	-
Gains on disposal of investments	6(19)	-	(61,776)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(263)	187
Accounts receivable		(19,882)	(17,588)
Accounts receivable - related parties		882	1,108
Other receivables		(2,062)	198
Other receivables - related parties		-	(4)
Prepayments		4,402	1,087
Other current assets		(7,916)	8,324
Changes in operating liabilities			
Contract liabilities		44,673	60,716
Accounts payable		(17,968)	1,959
Accounts payable - related parties		(314)	-
Other payables		(25,883)	(16,994)
Provisions for liabilities - current		(1,431)	(3,856)
Non-current accrued pension liabilities		(23,587)	(17,022)
Cash inflow generated from operations		32,762	87,565
Interest received		12,235	8,556
Income tax paid		(28,225)	(36,053)
Net cash flows from operating activities		16,772	60,068
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		(274,499)	(291,133)
Decrease in financial assets at amortised cost-current		393,500	308,061
Increase in investments using the equity method	6(6)	-	(3,000)
Disposal of investments using the equity method	6(6)	-	71,942
Dividends received	6(6)	19,427	20,929
Acquisition of property, plant and equipment	6(7)	(3,593)	(1,746)
Proceeds from disposals of property, plant and equipment		1,276	-
Acquisition of intangible assets		(120)	(960)
Increase in refundable deposits (shown in other non-current assets)		(1,614)	(1)
Net cash flows from investing activities		134,377	104,092
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash dividends paid	6(15)	(155,331)	(133,948)
Payment of lease liability	6(24)	(12,983)	(12,903)
Other financing activities	6(14)	97	(2)
Net cash flows used in financing activities		(168,217)	(146,853)
Net (decrease) increase in cash and cash equivalents		(17,068)	17,307
Cash and cash equivalents at beginning of period		553,759	574,013
Cash and cash equivalents at end of period		\$ 536,691	\$ 591,320

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, 2024 AND 2023

(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 8, 2024.

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[®]”) Accounting Standards 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 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 to the Group’s financial condition and financial performance based on the Group’s assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, '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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

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, 2023, 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, 2023.

(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, 2023.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
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

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes as of September 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 391	\$ 464	\$ 442
Checking accounts and demand deposits	258,996	390,751	311,387
Time deposits	277,304	162,544	279,491
	<u>\$ 536,691</u>	<u>\$ 553,759</u>	<u>\$ 591,320</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, 2024, December 31, 2023 and September 30, 2023.

(2) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Time deposits with maturity over three months	\$ 274,499	\$ 393,500	\$ 291,133
Pledged time deposits	3,207	3,207	3,207
	<u>\$ 277,706</u>	<u>\$ 396,707</u>	<u>\$ 294,340</u>
Interest rate range of time deposits	1.00%~4.55%	1.00%~5.45%	1.00%~4.60%

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

	<u>Three months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Interest income	<u>\$ 1,453</u>	<u>\$ 1,309</u>
	<u>Nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Interest income	<u>\$ 6,828</u>	<u>\$ 6,448</u>

B. As at September 30, 2024, December 31, 2023 and September 30, 2023, 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 \$277,706, \$396,707 and \$294,340, 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, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 500	\$ 237	\$ 213
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 500</u>	<u>\$ 237</u>	<u>\$ 213</u>
Accounts receivable	\$ 87,266	\$ 83,144	\$ 90,962
Less: Allowance for uncollectible accounts	(7,546)	(6,552)	(7,617)
	<u>\$ 79,720</u>	<u>\$ 76,592</u>	<u>\$ 83,345</u>

A. The ageing analysis of notes and accounts receivable is as follows:

September 30, 2024			
	Accounts receivable	Notes receivable	
Not past due	\$ 68,019	\$ 500	
Up to 90 days	9,620	-	
91 to 180 days	2,299	-	
181 to 270 days	-	-	
Over 270 days	7,328	-	
	<u>\$ 87,266</u>	<u>\$ 500</u>	
December 31, 2023			
	Accounts receivable	Notes receivable	
Not past due	\$ 69,819	\$ 237	
Up to 90 days	7,496	-	
91 to 180 days	1,017	-	
181 to 270 days	-	-	
Over 270 days	4,812	-	
	<u>\$ 83,144</u>	<u>\$ 237</u>	
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>	

The above ageing analysis was based on past due date.

B. As of September 30, 2024, December 31, 2023 and September 30, 2023, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$122,567.

- 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, 2024, December 31, 2023 and September 30, 2023, 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 \$80,220, \$76,829 and \$83,558, respectively.
- G. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Prepayments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepaid project cost	\$ 34,952	\$ 40,031	\$ 37,176
Other prepayments	2,234	1,557	4,120
	<u>\$ 37,186</u>	<u>\$ 41,588</u>	<u>\$ 41,296</u>

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

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</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, 2024, December 31, 2023 and September 30, 2023.
- B. For the three months and nine months ended September 30, 2024 and 2023, 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, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Associates:			
BLITZ IT CONSULTANTS PTE. LTD.	\$ 20,690	\$ 19,217	\$ 15,745
ARES INTERNATIONAL (THAILAND) CO., LTD.	803	3,181	3,115
ARGO INTERNATIONAL CORPORATION	28,711	27,888	28,687
M-POWER INFORMATION CO., LTD.	83,184	84,971	81,362
MYSHINE TECHNOLOGY CO., LTD.	34	928	1,714
	<u>\$ 133,422</u>	<u>\$ 136,185</u>	<u>\$ 130,623</u>

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Ownership (%)</u>			<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>		
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%	17.47%	17.47%	"	"
MYSHINE TECHNOLOGY CO., LTD.	"	40.00%	40.00%	40.00%	"	"

Note 1: 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 2: 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, 2024, December 31, 2023 and September 30, 2023, the carrying amounts of the Group's individually immaterial associates amounted to \$133,422, \$136,185 and \$130,623, respectively.

	Three months ended September 30	
	2024	2023
Profit for the period from continuing operations	\$ 4,802	\$ 46
Other comprehensive income, net of tax	-	4
Total comprehensive income	\$ 4,802	\$ 50
Dividends received from associates	\$ 14,603	\$ 20,929
	Nine months ended September 30	
	2024	2023
Profit for the period from continuing operations	\$ 15,481	\$ 13,474
Other comprehensive income, net of tax	-	4
Total comprehensive income	\$ 15,481	\$ 13,478
Dividends received from associates	\$ 19,427	\$ 20,929

- C. For the three months and nine months ended September 30, 2024 and 2023, the Group recognised share of profit of associates in the amounts of \$4,802, \$46, \$15,481 and \$13,474, 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, 2024, December 31, 2023 and September 30, 2023, the fair value was \$391,988, \$470,769 and \$395,831, respectively.
- 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, 2024</u>						
Cost	\$ 12,302	\$ 12,190	\$ 1,465	\$ 4,679	\$ 1,429	\$ 32,065
Accumulated depreciation	(9,136)	(12,040)	(1,455)	(4,299)	(836)	(27,766)
	<u>\$ 3,166</u>	<u>\$ 150</u>	<u>\$ 10</u>	<u>\$ 380</u>	<u>\$ 593</u>	<u>\$ 4,299</u>
<u>2024</u>						
At January 1	\$ 3,166	\$ 150	\$ 10	\$ 380	\$ 593	\$ 4,299
Additions	467	2,000	-	1,126	-	3,593
Depreciation charges	(1,337)	(283)	(4)	(98)	(196)	(1,918)
Net exchange differences	12	-	-	10	-	22
At September 30	<u>\$ 2,308</u>	<u>\$ 1,867</u>	<u>\$ 6</u>	<u>\$ 1,418</u>	<u>\$ 397</u>	<u>\$ 5,996</u>
<u>At September 30, 2024</u>						
Cost	\$ 12,734	\$ 5,734	\$ 1,465	\$ 5,817	\$ 1,429	\$ 27,179
Accumulated depreciation	(10,426)	(3,867)	(1,459)	(4,399)	(1,032)	(21,183)
	<u>\$ 2,308</u>	<u>\$ 1,867</u>	<u>\$ 6</u>	<u>\$ 1,418</u>	<u>\$ 397</u>	<u>\$ 5,996</u>

	<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>

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, 2024	December 31, 2023	September 30, 2023
Buildings	\$ 11,060	\$ 16,382	\$ 20,590
Equipment	2,450	-	-
	<u>\$ 13,510</u>	<u>\$ 16,382</u>	<u>\$ 20,590</u>
Depreciation charge			
Three months ended September 30			
	2024	2023	
Buildings	\$ 4,144	\$ 4,196	
Equipment	245	-	
	<u>\$ 4,389</u>	<u>\$ 4,196</u>	
Depreciation charge			
Nine months ended September 30			
	2024	2023	
Buildings	\$ 12,252	\$ 12,605	
Equipment	490	-	
	<u>\$ 12,742</u>	<u>\$ 12,605</u>	

- D. For the three months and nine months ended September 30, 2024 and 2023, the additions to right-of-use assets were \$2,977, \$0, \$10,013 and \$26,444, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended September 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 154	\$ 168
Expense on short-term lease contracts	384	332
	<u>\$ 538</u>	<u>\$ 500</u>

	Nine months ended September 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 440	\$ 544
Expense on short-term lease contracts	1,178	967
	<u>\$ 1,618</u>	<u>\$ 1,511</u>

F. For the nine months ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$14,161 and \$13,870, respectively.

(9) Accounts payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable	\$ 10,688	\$ 26,807	\$ 11,830
Project costs payable	40,831	42,680	40,584
	<u>\$ 51,519</u>	<u>\$ 69,487</u>	<u>\$ 52,414</u>

(10) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Wages and bonus payable	\$ 90,274	\$ 102,546	\$ 90,292
Labor and health insurance fees payable	4,973	5,002	5,019
Employees' compensation and directors' remuneration payable	13,542	26,679	20,008
Other accrued expenses	13,813	17,079	13,751
	<u>\$ 122,602</u>	<u>\$ 151,306</u>	<u>\$ 129,070</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 \$910, \$947, \$2,730 and \$2,840 for the three months and nine months ended September 30, 2024 and 2023, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2025 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, 2024 and 2023 were \$3,503, \$3,414, \$10,585 and \$10,138, 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, 2024 and 2023. 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, 2024 and 2023 were \$1,253, \$89, \$1,726 and \$314, respectively.

(12) Provisions

	Warranty	
	2024	2023
Balance at January 1	\$ 2,740	\$ 7,631
Additional provisions	1,706	3,764
Used during the period	(1,192)	(2,222)
Unused amounts reversed	(1,945)	(5,398)
Balance at September 30	<u>\$ 1,309</u>	<u>\$ 3,775</u>

Analysis of total provisions:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u>\$ 1,309</u>	<u>\$ 2,740</u>	<u>\$ 3,775</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, 2024, 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

2024					
	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	\$ 316	\$ 15,067	\$ 156,960
Donated by the shareholders (Note 1)	-	-	97	-	97
At September 30	<u>\$ 92,839</u>	<u>\$ 48,738</u>	<u>\$ 413</u>	<u>\$ 15,067</u>	<u>\$ 157,057</u>
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)	-	(2)
At September 30	<u>\$ 92,839</u>	<u>\$ 48,738</u>	<u>\$ 316</u>	<u>\$ 15,067</u>	<u>\$ 156,960</u>

Note 1: Capital surplus arising from donation pertains to unclaimed dividends over 5 years past due.

Note 2: 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.

(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 19, 2024 and June 21, 2023, the shareholders during their meeting resolved the distribution of 2023 and 2022 retained earnings, respectively, as follows:

	2023		2022	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 17,237		\$ 14,528	
Reversal of special reserve (	203)		(3,198)	
Cash dividends	155,331	\$ 3.29	133,948	\$ 2.83

(16) Operating revenue

	Three months ended September 30	
	2024	2023
<u>Revenue from contracts with customers</u>		
Sales revenue	\$ 12,831	\$ 4,764
Services revenue	212,259	178,482
	<u>\$ 225,090</u>	<u>\$ 183,246</u>
	Nine months ended September 30	
	2024	2023
<u>Revenue from contracts with customers</u>		
Sales revenue	\$ 33,533	\$ 21,303
Services revenue	560,911	556,545
	<u>\$ 594,444</u>	<u>\$ 577,848</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, 2024 (Note)				
	Asia	America	Taiwan	Others	Total
Total segment revenue					
Revenue from external customer contracts	\$ 14,791	\$ -	\$ 208,456	\$ 1,843	\$ 225,090
Inter-segment	1,528	-	-	-	1,528
	<u>\$ 16,319</u>	<u>\$ -</u>	<u>\$ 208,456</u>	<u>\$ 1,843</u>	<u>\$ 226,618</u>
Timing of revenue recognition					
At a point in time	\$ 105	\$ -	\$ 12,726	\$ -	\$ 12,831
Over time	14,686	-	195,730	1,843	212,259
	<u>\$ 14,791</u>	<u>\$ -</u>	<u>\$ 208,456</u>	<u>\$ 1,843</u>	<u>\$ 225,090</u>

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
	<u>\$ 21,419</u>	<u>\$ -</u>	<u>\$ 161,653</u>	<u>\$ 174</u>	<u>\$ 183,246</u>
Nine months ended September 30, 2024 (Note)	Asia	America	Taiwan	Others	Total
Total segment revenue					
Revenue from external customer contracts	\$ 76,748	\$ -	\$ 514,818	\$ 2,878	\$ 594,444
Inter-segment	8,843	-	-	-	8,843
	<u>\$ 85,591</u>	<u>\$ -</u>	<u>\$ 514,818</u>	<u>\$ 2,878</u>	<u>\$ 603,287</u>
Timing of revenue recognition					
At a point in time	\$ 1,917	\$ -	\$ 31,616	\$ -	\$ 33,533
Over time	74,831	-	483,202	2,878	560,911
	<u>\$ 76,748</u>	<u>\$ -</u>	<u>\$ 514,818</u>	<u>\$ 2,878</u>	<u>\$ 594,444</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>

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:

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Contract assets -				
customer contract	\$ 157,621	\$ 141,779	\$ 160,507	\$ 99,294
Less: Allowance for				
uncollectible accounts	(700)	(2,397)	-	-
	<u>\$ 156,921</u>	<u>\$ 139,382</u>	<u>\$ 160,507</u>	<u>\$ 99,294</u>
Contract liabilities - advance				
receipts from customers	<u>\$ 219,940</u>	<u>\$ 175,267</u>	<u>\$ 217,413</u>	<u>\$ 156,697</u>

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

	Three months ended September 30	
	2024	2023
Revenue recognised that was included in the contract liabilities balance at the beginning of the period		
Advance receipts	<u>\$ 29,354</u>	<u>\$ 14,990</u>
	Nine months ended September 30	
	2024	2023
Revenue recognised that was included in the contract liabilities balance at the beginning of the period		
Advance receipts	<u>\$ 68,193</u>	<u>\$ 60,244</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

		Three months ended September 30	
		2024	2023
Interest income from bank deposits	\$	2,982	\$ 2,715
Interest income from financial assets measured at amortised cost		1,453	1,309
Interest income from contract assets		-	-
	\$	<u>4,435</u>	<u>\$ 4,024</u>
		Nine months ended September 30	
		2024	2023
Interest income from bank deposits	\$	7,974	\$ 5,755
Interest income from financial assets measured at amortised cost		6,828	6,448
Interest income from contract assets		15	-
	\$	<u>14,817</u>	<u>\$ 12,203</u>

(18) Other income

		Three months ended September 30	
		2024	2023
Commission income	\$	425	\$ -
Others		1,341	130
	\$	<u>1,766</u>	<u>\$ 130</u>
		Nine months ended September 30	
		2024	2023
Commission income	\$	482	\$ 181
Others		1,456	470
	\$	<u>1,938</u>	<u>\$ 651</u>

(19) Other gains and losses

		Three months ended September 30	
		2024	2023
Gains on disposals of property, plant and equipment	\$	19	\$ -
Foreign exchange (loss) gain	(	6,944)	16,894
Gains on disposal of investments		-	16,342
Miscellaneous disbursements		-	(26)
	(\$	<u>6,925</u>)	<u>\$ 33,210</u>

	Nine months ended September 30	
	2024	2023
Gains on disposals of property, plant and equipment	\$ 1,276	\$ -
Foreign exchange gain	21,840	19,502
Gains on disposal of investments	-	61,776
Miscellaneous disbursements	(318)	(362)
	<u>\$ 22,798</u>	<u>\$ 80,916</u>

(20) Expenses by nature

	Three months ended September 30	
	2024	2023
Employee benefit expense	\$ 122,490	\$ 126,905
Depreciation charges on property, plant and equipment	643	581
Depreciation charges on right-of-use assets	4,389	4,196
Amortisations	108	99
Operating lease payments	384	332
Outsourcing software	44,520	45,064
Provision for (reversal of) expected credit losses	2,762 (	1,074)
Other expenses	4,500 (	4,658)
Cost of sales	11,143	3,146
Operating costs and expenses	<u>\$ 190,939</u>	<u>\$ 174,591</u>

	Nine months ended September 30	
	2024	2023
Employee benefit expense	\$ 368,530	\$ 365,475
Depreciation charges on property, plant and equipment	1,918	1,580
Depreciation charges on right-of-use assets	12,742	12,605
Amortisations	325	295
Operating lease payments	1,178	967
Outsourcing software	120,598	142,310
Reversal of expected credit losses	(785) (	4,803)
Other expenses	18,007	4,372
Cost of sales	27,480	15,065
Operating costs and expenses	<u>\$ 549,993</u>	<u>\$ 537,866</u>

(21) Employee benefit expense

	Three months ended September 30	
	2024	2023
Wages and salaries	\$ 107,042	\$ 109,479
Labor and health insurance fees	4,470	7,981
Pension costs	5,666	4,450
Directors' remuneration	2,474	2,606
Other personnel expenses	2,838	2,389
	<u>\$ 122,490</u>	<u>\$ 126,905</u>
	Nine months ended September 30	
	2024	2023
Wages and salaries	\$ 313,873	\$ 310,129
Labor and health insurance fees	24,286	26,935
Pension costs	15,041	13,292
Directors' remuneration	6,548	7,646
Other personnel expenses	8,782	7,473
	<u>\$ 368,530</u>	<u>\$ 365,475</u>

- A. As of September 30, 2024 and 2023, the Group had 321 and 322 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, 2024 and 2023, employees' compensation was accrued at \$3,901, \$4,685, \$10,157 and \$15,006, respectively; while directors' remuneration was accrued at \$1,300, \$1,562, \$3,385 and \$5,002, 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, 2024, respectively.
- E. Employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 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	
		2024	2023
Current tax:			
Current tax on profits for the period	\$	5,339	\$ 3,400
Deferred tax:			
Origination and reversal of temporary differences		43	1,531
Income tax expense	\$	5,382	\$ 4,931
		Nine months ended September 30	
		2024	2023
Current tax:			
Current tax on profits for the period	\$	13,903	\$ 7,228
Prior year income tax over estimation	(	10)	(102)
Total current tax		13,893	7,126
Deferred tax:			
Origination and reversal of temporary differences	(	71)	7,399
Income tax expense	\$	13,822	\$ 14,525

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

		Three months ended September 30	
		2024	2023
Currency translation differences	\$	312	\$ 670
		Nine months ended September 30	
		2024	2023
Currency translation differences	\$	497	\$ 86

B. As of September 30, 2024, 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 an additional tax of \$128 for the year ended December 31, 2020 based on the approved assessment results.

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, 2024			
	<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	\$ 32,803	47,254	\$ 0.69
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 32,803	47,254	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	206	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 32,803	47,460	\$ 0.69
Three 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	\$ 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			
Employees' compensation	-	290	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 40,916	47,544	\$ 0.86

Nine months ended September 30, 2024			
	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	\$ 85,416	47,254	\$ 1.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 85,416	47,254	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	437	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 85,416	47,691	\$ 1.79
Nine 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	\$ 132,165	47,254	\$ 2.80
<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			
Employees' compensation	-	290	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 132,165	47,544	\$ 2.78

(24) Changes in liabilities from financing activities

	2024		2023	
	Liabilities from financing		Liabilities from financing	
	Lease liabilities	activities-gross	Lease liabilities	activities-gross
At January 1	\$ 16,655	\$ 16,655	\$ 6,971	\$ 6,971
Changes in cash flow from financing activities	(12,983)	(12,983)	(12,903)	(12,903)
Impact of changes in foreign exchange rate	49	49	(4)	(4)
Changes in other non-cash items	10,240	10,240	26,826	26,826
At September 30	<u>\$ 13,961</u>	<u>\$ 13,961</u>	<u>\$ 20,890</u>	<u>\$ 20,890</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
ARGO INTERNATIONAL CORPORATION	Associate
M-POWER INFORMATION CO., LTD.	"
ARES INTERNATIONAL (THAILAND) CO., LTD.	"
MYSHINE TECHNOLOGY CO., LTD.	"
MiTAC INC.	Key management
MiTAC INTERNATIONAL TECHNOLOGY CORP.	"

(2) Significant related party transactions

A. Operating revenue

	Three months ended September 30	
	2024	2023
Sales of goods:		
-Associates	\$ 152	\$ -
-Key management	431	44
	<u>\$ 583</u>	<u>\$ 44</u>
	Nine months ended September 30	
	2024	2023
Sales of goods:		
-Associates	\$ 653	\$ -
-Key management	1,717	134
	<u>\$ 2,370</u>	<u>\$ 134</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	
		2024	2023
Purchases of services:			
-Associates		-	(4)
	\$	-	(\$4)
		Nine months ended September 30	
		2024	2023
Purchases of goods:			
-Associates	\$	66	\$ -
Purchases of services:			
-Associates		114	628
	\$	180	\$ 628

(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

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable			
-MiTAC INTERNATIONAL TECHNOLOGY CORP.	\$ 402	\$ 1,284	\$ -
Other receivables			
-MYSHINE TECHNOLOGY CO., LTD.	\$ -	\$ -	\$ 4

D. Payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable			
-MYSHINE			
TECHNOLOGY CO., LTD.	\$ -	\$ 314	\$ -

E. Prepayments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayments			
-Associates	\$ 62	\$ -	\$ 62
-Key management	-	2	-
	<u>\$ 62</u>	<u>\$ 2</u>	<u>\$ 62</u>

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 \$62 in prepayments and \$186 as operating expenses for the three months and nine months ended September 30, 2024 and 2023, respectively.

(3) Key management compensation

	<u>Three months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employees' benefits	<u>\$ 13,039</u>	<u>\$ 15,205</u>
	<u>Nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employees' benefits	<u>\$ 48,442</u>	<u>\$ 53,098</u>

8. PLEGDED ASSETS

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

	<u>Book value</u>			
<u>Pledged asset</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>Purpose</u>
Time deposits	\$ 3,207	\$ 3,207	\$ 3,207	Bid bond
(shown as financial assets at amortised cost - current)				
Guarantee deposits paid	57,822	49,906	47,007	Bid bond and
(shown as other current assets)				performance bond
Guarantee deposits paid				Guarantees
(shown as other non-current assets)	9,249	7,635	7,643	provided for leasing
	<u>\$ 70,278</u>	<u>\$ 60,748</u>	<u>\$ 57,857</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, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Software products	\$ <u>10,632</u>	\$ <u>8,634</u>	\$ <u>9,901</u>

B. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group received promissory notes amounting to \$8,777, \$8,367 and \$8,346 as performance guarantees, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Group has entered into a purchase agreement for the Taichung office on October 7, 2024. The total transaction amount for the property is \$48,800, with the first and second installment payments in total of \$19,520, made on October 7, 2024 and October 25, 2024, respectively.

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, 2023.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortised cost/Loans and receivables			
Cash and cash equivalents	\$ 536,691	\$ 553,759	\$ 591,320
Current financial assets at amortised cost	277,706	396,707	294,340
Notes receivable	500	237	213
Accounts receivable	79,720	76,592	83,345
Accounts receivable due from related parties	402	1,284	-
Other receivables	6,407	3,842	5,992
Other receivables due from related parties	-	-	4
Guarantee deposits paid (shown as other current assets)	57,822	49,906	47,007
Guarantee deposits paid (shown as other non-current assets)	9,249	7,635	7,643
	<u>\$ 968,497</u>	<u>\$ 1,089,962</u>	<u>\$ 1,029,864</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 51,519	\$ 69,487	\$ 52,414
Accounts payable to related parties	-	314	-
Other payables	122,602	151,306	129,070
	<u>\$ 174,121</u>	<u>\$ 221,107</u>	<u>\$ 181,484</u>
Lease liabilities	<u>\$ 13,961</u>	<u>\$ 16,655</u>	<u>\$ 20,890</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, 2023.

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, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,585	31.65	\$ 271,715
HKD:NTD	21,167	4.08	86,361
AUD:NTD	496	21.93	10,877
EUR:NTD	111	35.38	3,927
RMB:NTD	20,051	4.51	90,430
USD:RMB	195	7.02	6,174
<u>Non-monetary items</u>			
USD:NTD	654	31.65	20,690
THB:NTD	814	0.99	803
December 31, 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	\$ 11,134	30.71	\$ 341,925
HKD:NTD	20,131	3.93	79,115
AUD:NTD	490	20.98	10,280
EUR:NTD	114	33.98	3,874
RMB:NTD	21,963	4.32	94,880
USD:RMB	281	7.10	8,619
<u>Non-monetary items</u>			
USD:NTD	626	30.71	19,217
THB:NTD	3,528	0.90	3,181

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

- iv. The total exchange (loss) 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, 2024 and 2023, amounted to (\$6,944), \$16,894, \$21,840 and \$19,502, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2024			
	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%	\$ 2,717	\$ -
HKD:NTD	1.00%	864	-
AUD:NTD	1.00%	109	-
EUR:NTD	1.00%	39	-
RMB:NTD	1.00%	904	-
USD:RMB	1.00%	62	-
<u>Non-monetary items</u>			
USD:NTD	1.00%	-	207
THB:NTD	1.00%	-	8

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%	986	-
USD:RMB	1.00%	84	-
RMB:USD	1.00%	-	-
<u>Non-monetary items</u>			
USD:NTD	1.00%	-	157
THB:NTD	1.00%	-	31

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, 2024 and 2023 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, 2024, December 31, 2023 and September 30, 2023, 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, 2024</u>						
Expected loss rate	0%~ 0.1%	0%~ 3.13%	0.01%~ 12.5%	0.15%~ 25%	100.00%	
Total book value	\$ 47,304	\$ 9,620	\$ 2,299	\$ -	\$ 7,328	\$ 66,551
Loss allowance	\$ 3	\$ 47	\$ 168	\$ -	\$ 7,328	\$ 7,546

<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, 2023</u>						
Expected loss rate	1.38%~ 3.23%	4.18%~ 13.87%	10.42%~ 25%	12.75%~ 35.83%	100%	
Total book value	\$ 49,205	\$ 7,496	\$ 1,017	\$ -	\$ 4,812	\$ 62,530
Loss allowance	\$ 1,126	\$ 505	\$ 109	\$ -	\$ 4,812	\$ 6,552
<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>Individual</u>		<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>	
<u>September 30, 2024</u>						
Expected loss rate	0.44%		0%	0%		
Total book value	\$	157,621	\$ 20,518	\$ 197	\$	178,336
Loss allowance	\$	700	\$ -	\$ -	\$	700
	<u>Individual</u>		<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>	
<u>December 31, 2023</u>						
Expected loss rate	1.69%		0%	0%		
Total book value	\$	141,779	\$ 10,455	\$ 10,159	\$	162,393
Loss allowance	\$	2,397	\$ -	\$ -	\$	2,397
	<u>Individual</u>		<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>	
<u>September 30, 2023</u>						
Expected loss rate	0%		0%	0%		
Total book value	\$	160,507	\$ 7,818	\$ 914	\$	169,239
Loss allowance	\$	-	\$ -	\$ -	\$	-

Group 1: General business

Group 2: Government-owned corporation

Group 3: Government organisations

- ix. As of September 30, 2024, December 31, 2023 and September 30, 2023, contract assets amounted to \$156,921, \$139,382 and \$160,507, respectively, and loss allowance are \$700, \$2,397 and \$0, and the expected credit loss rate are 0.44%, 1.69% and 0%, respectively.

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

2024				
	Accounts receivable	Contract assets	Notes receivable	Total
At January 1	\$ 6,552	\$ 2,397	\$ -	\$ 8,949
Reversal of impairment loss	912	(1,697)	-	(785)
Effects of foreign exchange	82	-	-	82
At September 30	<u>\$ 7,546</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 8,246</u>

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>

(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, 2024				
Accounts payable	\$ 50,811	\$ 708	\$ -	\$ 51,519
Accounts payable-related parties	106,352	16,250	-	122,602
Lease liabilities	4,574	8,802	1,081	14,457
	<u>\$ 161,737</u>	<u>\$ 25,760</u>	<u>\$ 1,081</u>	<u>\$ 188,578</u>
<u>Non-derivative financial liabilities:</u>	Less than 3 months	Between 3 months and 2 years	Between 2 and 5 years	Total
December 31, 2023				
Accounts payable	\$ 68,742	\$ 745	\$ -	\$ 69,487
Accounts payable-related parties	314	-	-	314
Other payables	121,620	29,686	-	151,306
Lease liabilities	4,272	12,477	148	16,897
	<u>\$ 194,948</u>	<u>\$ 42,908</u>	<u>\$ 148</u>	<u>\$ 238,004</u>

<u>Non-derivative financial liabilities:</u> September 30, 2023	Less than 3 months	Between 3 months and 2 years	Between 2 and 5 years	Total
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>

(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, 2024	<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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2023	<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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2023	<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, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. For the nine months ended September 30, 2024 and 2023, 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.

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, 2024:

	Commercial segment	Financial business segment	Project segment	Total
Revenue from external customers	\$ 308,345	\$ 204,340	\$ 81,759	\$ 594,444
Inter-segment revenue	8,843	-	-	8,843
Total segment revenue	<u>\$ 317,188</u>	<u>\$ 204,340</u>	<u>\$ 81,759</u>	<u>\$ 603,287</u>
Segment income (loss)	<u>\$ 26,860</u>	<u>\$ 33,176</u>	<u>(\$ 6,742)</u>	<u>\$ 53,294</u>
Segment loss, including:				
Depreciation and amortisation	<u>(\$ 6,766)</u>	<u>(\$ 6,557)</u>	<u>(\$ 1,662)</u>	<u>(\$ 14,985)</u>

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 loss, including:				
Depreciation and amortisation	<u>(\$ 6,933)</u>	<u>(\$ 5,867)</u>	<u>(\$ 1,680)</u>	<u>(\$ 14,480)</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:

Revenue	Nine months ended September 30	
	2024	2023
Total reportable segment revenue	\$ 603,287	\$ 587,295
Write-off of inter-segment revenue	(8,843)	(9,447)
Operating revenue	<u>\$ 594,444</u>	<u>\$ 577,848</u>
Profit or loss	Nine months ended September 30	
	2024	2023
Segment income	\$ 53,294	\$ 49,429
Adjustments and write-offs	(8,843)	(9,447)
Non-operating income and expenses	<u>54,594</u>	<u>106,700</u>
Income before tax from continuing operations	<u>\$ 99,045</u>	<u>\$ 146,682</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, 2024

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, 2024				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, 2024

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, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024 (Note 2(2))	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024 (Note 2(3))		Footnote
				Balance as at September 30, 2024	Balance as at December 31, 2023	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	\$ 28,711	\$ 16,669	\$ 5,647		
"	M-POWER INFORMATION CO., LTD.	"	Agency and sale of database system and professional service of software	25,255	25,255	3,843,015	17.47	83,184	73,369	12,816		
"	MYSHINE TECHNOLOGY CO., LTD.	"	Front-end IoT integration and back-end management platform solution research and development application	3,000	3,000	200,000	40.00	34 (	2,991) (	894)		
"	ARES GROUP CORP.	Seychelles	Investment business	35,029	35,029	1,500,000	100.00	21,005	363	363	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	803 (	4,999) (	2,449)		
"	WELJOIN TECHNOLOGIES LIMITED (BVI)	British Virgin Islands	Investment business	26,177	26,177	50,000	100.00	27,942 (	4,572) (	4,572)	Subsidiary	
ARES GROUP CORP.	SHARP KEEN MANAGEMENT LIMITED	"	"	34,115	34,115	1,120,000	100.00	20,758	361	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	20,690	1,444	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, 2024’ 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, 2024’ 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, 2024’ 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.

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
Information on investments in Mainland China
Nine months ended September 30, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				Investment flows										
				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							
Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method											Note
APLUSOFT (SUZHOU) CORPORATION.	Research and development of enterprise management software and sale of self-produce product of the Company	\$ 25,228	Note1	\$ 7,033	-	\$ -	\$ 7,033	(\$ 4,694)	95.88	(\$ 4,501)	\$ 26,575	\$ 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 \$9,053 (RMB 2,069,896.59/USD 295,672.69).

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	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	\$ 507,651

ARES INTERNATIONAL CORP. AND SUBSIDIARIES

Major shareholders information

September 30, 2024

Table 4

Name of major shareholders	Shares		Ownership (%)
	Number of shares held		
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.