

**ARES INTERNATIONAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024**

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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three 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\$191,562 thousand and NT\$187,671 thousand, constituting 12.90% and 13.18% of the consolidated total assets, and total liabilities amounting to NT\$22,739 thousand and NT\$14,616 thousand, constituting 4.16% and 2.92% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively, and total comprehensive income (including

share of profit of associates and joint ventures accounted for using equity method) amounting to NT\$2,741 thousand and NT\$2,823 thousand, constituting 19.68% and 30.87% of consolidated total comprehensive income for the three 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three 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 Liao, Fu-Ming

CPA Chen, Chin-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

May 9, 2025

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
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2025		December 31, 2024		March 31, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	588,898	40	\$	600,361	42	\$	668,592	47
1136	Financial assets at amortised cost -	6(2) and 8									
	current			274,382	19		273,510	19		239,096	17
1140	Contract assets - current	6(16)		173,990	12		158,316	11		143,916	10
1150	Notes receivable, net	6(3)		347	-		-	-		1,410	-
1170	Accounts receivable, net	6(3)		65,311	4		74,966	5		71,353	5
1180	Accounts receivable - related	7									
	parties, net			1,639	-		536	-		-	-
1200	Other receivables			4,976	-		3,492	-		8,107	1
1410	Prepayments	6(4) and 7		46,062	3		38,583	3		40,893	3
1470	Other current assets	8		59,894	4		61,846	4		47,147	3
11XX	Total current assets			1,215,499	82		1,211,610	84		1,220,514	86
Non-current assets											
1550	Investments accounted for using	6(6)									
	the equity method			144,626	10		139,097	9		141,300	10
1600	Property, plant and equipment, net	6(7)		54,153	4		53,898	4		5,167	-
1755	Right-of-use assets	6(8)		36,555	2		11,131	1		16,343	1
1780	Intangible assets			357	-		459	-		780	-
1840	Deferred income tax assets			21,645	1		21,504	1		31,222	2
1900	Other non-current assets	8		11,713	1		10,197	1		8,100	1
15XX	Total non-current assets			269,049	18		236,286	16		202,912	14
1XXX	Total assets		\$	1,484,548	100	\$	1,447,896	100	\$	1,423,426	100

(Continued)

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Contract liabilities - current	6(16)	\$ 255,388	17	\$ 198,340	14	\$ 197,190	14
2170	Accounts payable	6(9)	59,445	4	73,454	5	49,970	3
2180	Accounts payable - related parties	7	-	-	148	-	-	-
2200	Other payables	6(10)	110,126	8	145,742	10	109,341	8
2230	Current income tax liabilities		14,229	1	11,428	1	18,053	1
2250	Provisions for liabilities - current	6(12)	1,435	-	1,039	-	2,462	-
2280	Current lease liabilities		19,877	1	6,243	-	13,293	1
21XX	Total current liabilities		<u>460,500</u>	<u>31</u>	<u>436,394</u>	<u>30</u>	<u>390,309</u>	<u>27</u>
Non-current liabilities								
2580	Non-current lease liabilities		17,242	1	5,278	-	3,357	-
2640	Non-current accrued pension liabilities		<u>69,521</u>	<u>5</u>	<u>82,866</u>	<u>6</u>	<u>106,586</u>	<u>8</u>
25XX	Total non-current liabilities		<u>86,763</u>	<u>6</u>	<u>88,144</u>	<u>6</u>	<u>109,943</u>	<u>8</u>
2XXX	Total liabilities		<u>547,263</u>	<u>37</u>	<u>524,538</u>	<u>36</u>	<u>500,252</u>	<u>35</u>
Equity attributable to owners of parent								
	Share capital	6(13)						
3110	Common stock		472,539	32	472,539	33	472,539	33
	Capital surplus	6(14)						
3200	Capital surplus		160,803	10	160,803	11	157,010	11
	Retained earnings	6(15)						
3310	Legal reserve		112,199	8	112,199	8	94,962	7
3320	Special reserve		3,943	-	3,943	-	4,146	-
3350	Unappropriated retained earnings		188,834	13	174,930	12	195,319	14
	Other equity interest							
3400	Other equity interest		(4,789)	-	(4,886)	-	(4,444)	-
31XX	Equity attributable to owners of the parent		<u>933,529</u>	<u>63</u>	<u>919,528</u>	<u>64</u>	<u>919,532</u>	<u>65</u>
36XX	Non-controlling interest		<u>3,756</u>	<u>-</u>	<u>3,830</u>	<u>-</u>	<u>3,642</u>	<u>-</u>
3XXX	Total equity		<u>937,285</u>	<u>63</u>	<u>923,358</u>	<u>64</u>	<u>923,174</u>	<u>65</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 1,484,548</u>	<u>100</u>	<u>\$ 1,447,896</u>	<u>100</u>	<u>\$ 1,423,426</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
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

			Three months ended March 31			
			2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	\$ 203,510	100	\$ 165,278	100
5000	Operating costs	6(20)(21)	(141,012)	(70)	(124,874)	(75)
5950	Gross profit		62,498	30	40,404	25
	Operating expenses	6(20)(21) and 7				
6100	Selling expenses		(19,108)	(9)	(18,300)	(11)
6200	General and administrative expenses		(13,690)	(7)	(13,845)	(9)
6300	Research and development expenses		(28,768)	(14)	(33,217)	(20)
6450	(Provision for) reversal of expected credit losses	12(2)	(17)	-	2,843	2
6000	Total operating expenses		(61,583)	(30)	(62,519)	(38)
6900	Operating profit (loss)		915	-	(22,115)	(13)
	Non-operating income and expenses					
7100	Interest income	6(17)	3,443	2	6,727	4
7010	Other income	6(18)	802	-	72	-
7020	Other gains and losses	6(19)	5,823	3	19,892	12
7050	Finance costs	6(8)	(263)	-	(122)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	5,947	3	6,459	4
7000	Total non-operating income and expenses		15,752	8	33,028	20
7900	Profit before income tax		16,667	8	10,913	7
7950	Income tax expense	6(22)	(2,892)	(1)	(1,398)	(1)
8200	Profit for the period		\$ 13,775	7	\$ 9,515	6

(Continued)

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Three months ended March 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Other comprehensive income					
that will be reclassified to profit					
or loss					
8361 Financial statements translation					
differences of foreign operations		\$ 176	-	(\$ 496)	-
8399 Income tax relating to	6(22)				
components of other					
comprehensive (loss) income		(24)	-	125	-
8360 Other comprehensive income					
(loss) that will be reclassified					
to profit or loss		152	-	(371)	-
8300 Other comprehensive income					
(loss) for the period		<u>\$ 152</u>	<u>-</u>	<u>(\$ 371)</u>	<u>-</u>
8500 Total comprehensive income for					
the period		<u>\$ 13,927</u>	<u>7</u>	<u>\$ 9,144</u>	<u>6</u>
Profit attributable to:					
8610 Owners of the parent		\$ 13,904	7	\$ 9,695	6
8620 Non-controlling interest		(129)	-	(180)	-
		<u>\$ 13,775</u>	<u>7</u>	<u>\$ 9,515</u>	<u>6</u>
Total comprehensive income (loss)					
attributable to:					
8710 Owners of the parent		\$ 14,001	7	\$ 9,194	6
8720 Non-controlling interest		(74)	-	(50)	-
		<u>\$ 13,927</u>	<u>7</u>	<u>\$ 9,144</u>	<u>6</u>
Earnings per share (in dollars)	6(23)				
9750 Basic		<u>\$ 0.29</u>		<u>\$ 0.21</u>	
9850 Diluted		<u>\$ 0.29</u>		<u>\$ 0.20</u>	

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained Earnings				Other Equity Interest					
						Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			Total	Non-controlling interest	Total equity	
	\$ 472,539	\$ 156,960	\$ 94,962	\$ 4,146	\$ 185,624	(\$ 1,943)	(\$ 2,000)	\$ 910,288	\$ 3,692	\$ 913,980	
	-	-	-	-	9,695	-	-	9,695	(180)	9,515	
d	-	-	-	-	-	(501)	-	(501)	130	(371)	
	-	-	-	-	9,695	(501)	-	9,194	(50)	9,144	
6(14)	-	50	-	-	-	-	-	50	-	50	
	\$ 472,539	\$ 157,010	\$ 94,962	\$ 4,146	\$ 195,319	(\$ 2,444)	(\$ 2,000)	\$ 919,532	\$ 3,642	\$ 923,174	
	\$ 472,539	\$ 160,803	\$ 112,199	\$ 3,943	\$ 174,930	(\$ 2,886)	(\$ 2,000)	\$ 919,528	\$ 3,830	\$ 923,358	
	-	-	-	-	13,904	-	-	13,904	(129)	13,775	
	-	-	-	-	-	97	-	97	55	152	
	-	-	-	-	13,904	97	-	14,001	(74)	13,927	
	\$ 472,539	\$ 160,803	\$ 112,199	\$ 3,943	\$ 188,834	(\$ 2,789)	(\$ 2,000)	\$ 933,529	\$ 3,756	\$ 937,285	

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Three months ended March 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 16,667	\$ 10,913
Adjustments			
Adjustments to reconcile (profit) loss			
Provision for (reversal of) expected credit loss impairment	6(20) and 12(2)	17	(2,843)
Depreciation of property, plant and equipment	6(7)(20)	655	606
Depreciation of right-of-use asset	6(8)(20)	4,887	3,975
Amortisation	6(20)	102	108
Interest income	6(17)	(3,443)	(6,727)
Interest expense	6(8)	263	122
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(5,947)	(6,459)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		347	(1,173)
Accounts receivable	(	6,730)	3,548
Accounts receivable - related parties	(	1,103)	1,284
Other receivables	(	395)	(1,265)
Prepayments	(	7,479)	695
Other current assets		1,952	2,759
Changes in operating liabilities			
Contract liabilities		57,048	21,923
Accounts payable	(	14,009)	(19,517)
Accounts payable - related parties	(	148)	(314)
Other payables	(	34,781)	(39,698)
Provisions for liabilities - current		396	(278)
Non-current accrued pension liabilities	(	13,345)	(6,463)
Cash outflow generated from operations	(	5,046)	(38,804)
Interest received		2,018	2,272
Income tax paid	(	176)	(203)
Net cash flows used in operating activities	(	3,204)	(36,735)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current	(	92,500)	(163,329)
Decrease in financial assets at amortised cost-current		91,628	320,940
Acquisition of property, plant and equipment	6(7)	(889)	(1,467)
Acquisition of intangible assets		-	(120)
Increase in refundable deposits (shown in other non-current assets)	(	887)	(465)
Increase in other non-current assets	(	629)	-
Net cash flows (used in) from investing activities	(	3,277)	155,559
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payment of lease liability	6(24)	(4,982)	(4,041)
Donated by the shareholders	6(14)	-	50
Net cash flows used in financing activities	(	4,982)	(3,991)
Net (decrease) increase in cash and cash equivalents	(	11,463)	114,833
Cash and cash equivalents at beginning of period		600,361	553,759
Cash and cash equivalents at end of period		\$ 588,898	\$ 668,592

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

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

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 May 9, 2025.

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 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(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
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026

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
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	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

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

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, 2024, 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, 2024.

(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, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
ARES INTERNATIONAL CORP.	ARES GROUP CORP.	Investment business	100%	100%	100%	
"	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%	

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 March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 443	\$ 409	\$ 362
Checking accounts and demand deposits	353,436	367,992	335,473
Time deposits	235,019	231,960	332,757
	<u>\$ 588,898</u>	<u>\$ 600,361</u>	<u>\$ 668,592</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 March 31, 2025, December 31, 2024, and March 31, 2024.

(2) Financial assets at amortised cost

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Long-term time deposits	\$ 271,370	\$ 270,498	\$ 235,889
Pledged time deposits	3,012	3,012	3,207
	<u>\$ 274,382</u>	<u>\$ 273,510</u>	<u>\$ 239,096</u>
Interest rate range of time deposits	1.36%~4.55%	0.60%~4.60%	1.00%~4.76%

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

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 1,504</u>	<u>\$ 2,912</u>

B. As at March 31, 2025, December 31, 2024, and March 31, 2024, 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 \$274,382, \$273,510 and \$239,096, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 347	\$ -	\$ 1,410
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ 1,410</u>
Accounts receivable	\$ 77,000	\$ 88,134	\$ 77,510
Less: Allowance for uncollectible accounts	(11,689)	(13,168)	(6,157)
	<u>\$ 65,311</u>	<u>\$ 74,966</u>	<u>\$ 71,353</u>

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

	March 31, 2025	
	Accounts receivable	Notes receivable
Not past due	\$ 61,600	\$ 347
Up to 90 days	3,098	-
91 to 180 days	622	-
181 to 270 days	-	-
Over 270 days	11,680	-
	<u>\$ 77,000</u>	<u>\$ 347</u>
	December 31, 2024	
	Accounts receivable	Notes receivable
Not past due	\$ 64,993	\$ -
Up to 90 days	9,513	-
91 to 180 days	-	-
181 to 270 days	589	-
Over 270 days	13,039	-
	<u>\$ 88,134</u>	<u>\$ -</u>
	March 31, 2024	
	Accounts receivable	Notes receivable
Not past due	\$ 63,500	\$ 1,410
Up to 90 days	5,054	-
91 to 180 days	3,499	-
181 to 270 days	603	-
Over 270 days	4,854	-
	<u>\$ 77,510</u>	<u>\$ 1,410</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2025, December 31, 2024, and March 31, 2024, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$76,829.

- 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 March 31, 2025, December 31, 2024, and March 31, 2024, 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 \$65,658, \$74,966 and \$72,763, respectively.
- G. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Prepayments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Prepaid project cost	\$ 40,856	\$ 36,906	\$ 37,112
Other prepayments	5,206	1,677	3,781
	<u>\$ 46,062</u>	<u>\$ 38,583</u>	<u>\$ 40,893</u>

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

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</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 March 31, 2025, December 31, 2024, and March 31, 2024.
- B. For the three months ended March 31, 2025 and 2024, 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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associates:			
BLITZ IT CONSULTANTS PTE. LTD.	\$ 16,734	\$ 17,778	\$ 17,486
ARES INTERNATIONAL (THAILAND) CO., LTD.	1,442	1,463	2,371
ARGO INTERNATIONAL CORPORATION	31,040	28,614	29,474
M-POWER INFORMATION CO., LTD.	95,410	91,242	90,358
MYSHINE TECHNOLOGY CO., LTD.	-	-	1,611
	<u>\$ 144,626</u>	<u>\$ 139,097</u>	<u>\$ 141,300</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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</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%	"	"

Note : On November 11, 2024, the Group disposed all shares of MYSHINE TECHNOLOGY CO., LTD. with a disposal price of \$2,991. The gain from disposal of investments was recognised at \$2,957.

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 March 31, 2025, December 31, 2024, and March 31, 2024, the carrying amounts of the Group's individually immaterial associates amounted to \$144,626, \$139,097 and \$141,300, respectively.

	Three months ended March 31	
	2025	2024
Profit for the period from continuing operations	\$ 5,947	\$ 6,459
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 5,947</u>	<u>\$ 6,459</u>

- C. For the three months ended March 31, 2025 and 2024, the Group recognised share of profit of associates in the amounts of \$5,947 and \$6,459, 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 March 31, 2025, December 31, 2024, and March 31, 2024, the fair value was \$340,491, \$363,165 and \$455,397, 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>Land</u>	<u>Buildings and structures</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, 2025</u>								
Cost	\$ 30,393	\$ 18,097	\$ 12,729	\$ 4,000	\$ 1,465	\$ 5,813	\$ 1,429	\$ 73,926
Accumulated depreciation	-	(30)	(10,742)	(2,233)	(1,460)	(4,499)	(1,064)	(20,028)
	<u>\$ 30,393</u>	<u>\$ 18,067</u>	<u>\$ 1,987</u>	<u>\$ 1,767</u>	<u>\$ 5</u>	<u>\$ 1,314</u>	<u>\$ 365</u>	<u>\$ 53,898</u>
<u>2025</u>								
At January 1	\$ 30,393	\$ 18,067	\$ 1,987	\$ 1,767	\$ 5	\$ 1,314	\$ 365	\$ 53,898
Additions	-	-	289	-	-	600	-	889
Depreciation charges	-	(91)	(347)	(100)	(1)	(84)	(32)	(655)
Net exchange differences	-	-	4	-	-	17	-	21
At March 31	<u>\$ 30,393</u>	<u>\$ 17,976</u>	<u>\$ 1,933</u>	<u>\$ 1,667</u>	<u>\$ 4</u>	<u>\$ 1,847</u>	<u>\$ 333</u>	<u>\$ 54,153</u>
<u>At March 31, 2025</u>								
Cost	\$ 30,393	\$ 18,097	\$ 13,041	\$ 4,000	\$ 1,465	\$ 6,434	\$ 1,429	\$ 74,859
Accumulated depreciation	-	(121)	(11,108)	(2,333)	(1,461)	(4,587)	(1,096)	(20,706)
	<u>\$ 30,393</u>	<u>\$ 17,976</u>	<u>\$ 1,933</u>	<u>\$ 1,667</u>	<u>\$ 4</u>	<u>\$ 1,847</u>	<u>\$ 333</u>	<u>\$ 54,153</u>

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other facilities	Total
<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>\$ -</u>	<u>\$ -</u>	<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	1,000	-	-	-	1,467
Depreciation charges	-	-	(452)	(67)	(2)	(16)	(69)	(606)
Net exchange differences	-	-	7	-	-	-	-	7
At March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,188</u>	<u>\$ 1,083</u>	<u>\$ 8</u>	<u>\$ 364</u>	<u>\$ 524</u>	<u>\$ 5,167</u>
<u>At March 31, 2024</u>								
Cost	\$ -	\$ -	\$ 12,798	\$ 13,190	\$ 1,465	\$ 4,679	\$ 1,429	\$ 33,561
Accumulated depreciation	-	-	(9,610)	(12,107)	(1,457)	(4,315)	(905)	(28,394)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,188</u>	<u>\$ 1,083</u>	<u>\$ 8</u>	<u>\$ 364</u>	<u>\$ 524</u>	<u>\$ 5,167</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. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	Carrying amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	\$ 32,750	\$ 6,902	\$ 16,343
Transport equipment	3,805	4,229	-
	<u>\$ 36,555</u>	<u>\$ 11,131</u>	<u>\$ 16,343</u>

	Depreciation charge	
	Three months ended March 31	
	2025	2024
Buildings	\$ 4,463	\$ 3,975
Transport equipment	424	-
	<u>\$ 4,887</u>	<u>\$ 3,975</u>

C. For the three months ended March 31, 2025 and 2024, the additions to right-of-use assets were \$30,259 and \$4,144, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended March 31	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 263	\$ 122
Expense on short-term lease contracts	407	458
	<u>\$ 670</u>	<u>\$ 580</u>

E. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$5,389 and \$4,499, respectively.

(9) Accounts payable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable	\$ 25,516	\$ 31,633	\$ 10,793
Project costs payable	33,929	41,821	39,177
	<u>\$ 59,445</u>	<u>\$ 73,454</u>	<u>\$ 49,970</u>

(10) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Wages and bonus payable	\$ 61,918	\$ 99,181	\$ 63,978
Labor and health insurance fees	5,058	5,069	5,070
Employees' compensation and directors' remuneration payable	28,517	25,983	28,216
Other accrued expenses	14,633	15,509	12,077
	<u>\$ 110,126</u>	<u>\$ 145,742</u>	<u>\$ 109,341</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 \$784 and \$910 for the three months ended March 31, 2025 and 2024, respectively.
- (C) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$1,646.

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 ended March 31, 2025 and 2024 were \$3,560 and \$3,592, 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 ended March 31, 2025 and 2024. 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 ended March 31, 2025 and 2024 were \$642 and \$336, respectively.

(12) Provisions

	Warranty	
	2025	2024
Balance at January 1	\$ 1,039	\$ 2,740
Additional provisions	508	103
Used during the period	(89)	(253)
Unused amounts reversed	(23)	(128)
Balance at March 31	<u>\$ 1,435</u>	<u>\$ 2,462</u>

Analysis of total provisions:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current	<u>\$ 1,435</u>	<u>\$ 1,039</u>	<u>\$ 2,462</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 March 31, 2025, 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

2025					
	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 (same at March 31)	<u>\$ 92,839</u>	<u>\$ 48,738</u>	<u>\$ 413</u>	<u>\$ 18,813</u>	<u>\$ 160,803</u>
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)	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>50</u>
At March 31	<u>\$ 92,839</u>	<u>\$ 48,738</u>	<u>\$ 366</u>	<u>\$ 15,067</u>	<u>\$ 157,010</u>

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

(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 March 12, 2025, the Board of Directors proposed and approved the distribution of 2024 retained earnings, and on June 19, 2024, the shareholders during their meeting resolved the distribution of 2023 retained earnings. Details are as follows:

	2024		2023	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 16,167		\$ 17,237	
Appropriation for (reversal of) special reserve	943		(203)	
Cash dividends	144,561	\$ 3.06	155,331	\$ 3.29

As of May 9, 2025, the abovementioned distribution of 2024 retained earnings has not yet been resolved at the stockholders' meeting.

(16) Operating revenue

<u>Revenue from contracts with customers</u>	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Sales revenue	\$ 33,314	\$ 11,439
Services revenue	170,196	153,839
	<u>\$ 203,510</u>	<u>\$ 165,278</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:

<u>Three months ended March 31, 2025 (Note)</u>	<u>Asia</u>	<u>America</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
Total segment revenue					
Revenue from external customer contracts	\$ 15,042	\$ -	\$ 187,741	\$ 727	\$ 203,510
Inter-segment	2,798	-	-	-	2,798
	<u>\$ 17,840</u>	<u>\$ -</u>	<u>\$ 187,741</u>	<u>\$ 727</u>	<u>\$ 206,308</u>
Timing of revenue recognition					
At a point in time	\$ 18	\$ -	\$ 33,296	\$ -	\$ 33,314
Over time	15,024	-	154,445	727	170,196
	<u>\$ 15,042</u>	<u>\$ -</u>	<u>\$ 187,741</u>	<u>\$ 727</u>	<u>\$ 203,510</u>
<u>Three months ended March 31, 2024 (Note)</u>	<u>Asia</u>	<u>America</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
Total segment revenue					
Revenue from external customer contracts	\$ 19,205	\$ -	\$ 145,825	\$ 248	\$ 165,278
Inter-segment	2,510	-	-	-	2,510
	<u>\$ 21,715</u>	<u>\$ -</u>	<u>\$ 145,825</u>	<u>\$ 248</u>	<u>\$ 167,788</u>
Timing of revenue recognition					
At a point in time	\$ 8	\$ -	\$ 11,431	\$ -	\$ 11,439
Over time	19,197	-	134,394	248	153,839
	<u>\$ 19,205</u>	<u>\$ -</u>	<u>\$ 145,825</u>	<u>\$ 248</u>	<u>\$ 165,278</u>

Note: Segmental information is provided in Note 14.

B. Contract assets and liabilities

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Contract assets -				
customer contract	\$ 174,690	\$ 159,016	\$ 143,916	\$ 141,779
Less: Allowance for				
uncollectible accounts	(700)	(700)	-	(2,397)
	<u>\$ 173,990</u>	<u>\$ 158,316</u>	<u>\$ 143,916</u>	<u>\$ 139,382</u>
Contract liabilities - advance				
receipts from customers	<u>\$ 255,388</u>	<u>\$ 198,340</u>	<u>\$ 197,190</u>	<u>\$ 175,267</u>

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

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognised that was included		
in the contract liabilities balance at the		
beginning of the period		
Advance receipts	<u>\$ 25,715</u>	<u>\$ 24,465</u>

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

(17) Interest income

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 1,899	\$ 3,815
Interest income from financial assets		
measured at amortised cost	1,504	2,912
Interest income from contract assets	40	-
	<u>\$ 3,443</u>	<u>\$ 6,727</u>

(18) Other income

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Commission income	\$ 55	\$ -
Others	747	72
	<u>\$ 802</u>	<u>\$ 72</u>

(19) Other gains and losses

	Three months ended March 31	
	2025	2024
Foreign exchange gain	\$ 6,024	\$ 20,210
Miscellaneous disbursements	(201)	(318)
	<u>\$ 5,823</u>	<u>\$ 19,892</u>

(20) Expenses by nature

	Three months ended March 31	
	2025	2024
Employee benefit expense	\$ 123,469	\$ 127,405
Depreciation charges on property, plant and equipment	655	606
Depreciation charges on right-of-use assets	4,887	3,975
Amortisations	102	108
Operating lease payments	407	458
Outsourcing software	32,126	41,119
Provision for (reversal of) expected credit losses	17 (	2,843)
Other expenses	13,160	8,079
Cost of sales	27,772	8,486
Operating costs and expenses	<u>\$ 202,595</u>	<u>\$ 187,393</u>

(21) Employee benefit expense

	Three months ended March 31	
	2025	2024
Wages and salaries	\$ 105,217	\$ 107,617
Labor and health insurance fees	8,843	10,533
Pension costs	4,986	4,838
Directors' remuneration	1,611	1,488
Other personnel expenses	2,812	2,929
	<u>\$ 123,469</u>	<u>\$ 127,405</u>

A. As of March 31, 2025 and 2024, the Group had 316 and 328 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 ended March 31, 2025 and 2024, employees' compensation was accrued at \$1,949 and \$1,153, respectively; while directors' remuneration was accrued at \$585 and \$384, respectively. The aforementioned amounts were recognised in salary expenses.
- D. Employees' compensation and directors' remuneration were estimated and accrued based on 10% and 3% of distributable profit of current year for the three months ended March 31, 2025, respectively.
- E. Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 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 March 31	
		2025	2024
Current tax:			
Current tax on profits for the period	\$	3,052	\$ 1,579
Deferred tax:			
Origination and reversal of temporary differences	(	160)	(181)
Income tax expense	\$	<u>2,892</u>	\$ <u>1,398</u>

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

		Three months ended March 31	
		2025	2024
Currency translation differences	\$	<u>24</u>	(\$ <u>125</u>)

- B. As of March 31, 2025, the Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.
- 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 March 31, 2025			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ <u>13,904</u>	<u>47,254</u>	\$ <u>0.29</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 13,904	47,254	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	366	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>13,904</u>	<u>47,620</u>	\$ <u>0.29</u>
Three months ended March 31, 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	\$ <u>9,695</u>	<u>47,254</u>	\$ <u>0.21</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,695	47,254	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	359	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>9,695</u>	<u>47,613</u>	\$ <u>0.20</u>

(24) Changes in liabilities from financing activities

	2025		2024	
	Liabilities from financing		Liabilities from financing	
	Lease liabilities	activities-gross	Lease liabilities	activities-gross
At January 1	\$ 11,521	\$ 11,521	\$ 16,655	\$ 16,655
Increase during the period	30,259	30,259	4,144	4,144
Decrease during the period	-	-	(213)	(213)
Changes in cash flow from financing activities	(4,982)	(4,982)	(4,041)	(4,041)
Impact of changes in foreign exchange rate	58	58	(16)	(16)
Changes in other non-cash items	263	263	121	121
At March 31	<u>\$ 37,119</u>	<u>\$ 37,119</u>	<u>\$ 16,650</u>	<u>\$ 16,650</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.	"
MiTAC INC.	Key management
MiTAC INTERNATIONAL TECHNOLOGY CORP.	"
SHUTTLE INC.	Other related parties

(2) Significant related party transactions

A. Operating revenue

	Three months ended March 31	
	2025	2024
Sales of goods:		
-Other related parties	\$ 10	\$ -
Sales of services:		
-Associates	102	266
-Other related parties	718	-
-Key management	438	849
	<u>\$ 1,268</u>	<u>\$ 1,115</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. Receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable			
-M-POWER INFORMATION CO., LTD. TECHNOLOGY	\$ 57	\$ -	\$ -
-MiTAC INTERNATIONAL TECHNOLOGY CORP.	410	410	-
-SHUTTLE INC.	1,172	-	-
-ARES INTERNATIONAL (THAILAND) CO., LTD.	-	126	-
	<u>\$ 1,639</u>	<u>\$ 536</u>	<u>\$ -</u>

C. Payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable			
-M-POWER INFORMATION CO., LTD.	\$ -	\$ 148	\$ -

D. In 2023, the Group entered into a three-year Argo ERP maintenance contract with an associate, in the amount of \$748. The Group recognised \$187 in prepayments and \$62 as operating expenses for the three months ended March 31, 2025 and 2024, respectively.

E. The Group recognises directors' remuneration received from affiliated startup entities, as well as commission income generated through referral business with affiliated entities. The Group recognised \$720 and \$55 as other income for the three months ended March 31, 2025

(3) Key management compensation

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employees' benefits	\$ 19,531	\$ 20,734

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Time deposits (shown as financial assets at amortised cost - current)	\$ 3,012	\$ 3,012	\$ 3,207	Bid bond
Guarantee deposits paid (shown as other current assets)	59,894	61,846	47,147	Bid bond and performance bond
Guarantee deposits paid (shown as other non-current assets)	11,084	10,197	8,100	Guarantees provided for leasing
	<u>\$ 73,990</u>	<u>\$ 75,055</u>	<u>\$ 58,454</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Software products	\$ <u>20,119</u>	\$ <u>25,545</u>	\$ <u>8,579</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change during the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at amortised cost/Loans and receivables			
Cash and cash equivalents	\$ 588,898	\$ 600,361	\$ 668,592
Current financial assets at amortised cost	274,382	273,510	239,096
Notes receivable	347	-	1,410
Accounts receivable	65,311	74,966	71,353
Accounts receivable due from related parties	1,639	536	-
Other receivables	4,976	3,492	8,107
Guarantee deposits paid (shown as other current assets)	59,894	61,846	47,147
Guarantee deposits paid (shown as other non-current assets)	11,084	10,197	8,100
	<u>\$ 1,006,531</u>	<u>\$ 1,024,908</u>	<u>\$ 1,043,805</u>

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 59,445	\$ 73,454	\$ 49,970
Accounts payable to related parties	-	148	-
Other payables	110,126	145,742	109,341
	<u>\$ 169,571</u>	<u>\$ 219,344</u>	<u>\$ 159,311</u>
Lease liabilities	<u>\$ 37,119</u>	<u>\$ 11,521</u>	<u>\$ 16,650</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, 2024.

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:

March 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,584	33.21	\$ 251,865
HKD:NTD	17,890	4.27	76,390
AUD:NTD	501	20.81	10,426
EUR:NTD	108	35.97	3,885
RMB:NTD	14,771	4.57	67,503
USD:RMB	189	7.26	6,271
<u>Non-monetary items</u>			
USD:NTD	504	33.21	16,734
THB:NTD	1,465	0.98	1,442
December 31, 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	\$ 7,720	32.79	\$ 253,139
HKD:NTD	17,506	4.22	73,875
AUD:NTD	499	20.39	10,175
EUR:NTD	108	34.14	3,687
RMB:NTD	15,794	4.49	70,915
USD:RMB	209	7.30	6,850
<u>Non-monetary items</u>			
USD:NTD	542	32.79	17,778
THB:NTD	1,520	0.96	1,463

March 31, 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	\$ 11,269	32.00	\$ 360,608
HKD:NTD	21,721	4.09	88,839
AUD:NTD	492	20.82	10,243
EUR:NTD	114	34.46	3,928
RMB:NTD	21,321	4.43	94,452
USD:RMB	181	7.22	5,789
<u>Non-monetary items</u>			
USD:NTD	546	32.00	17,486
THB:NTD	2,682	0.88	2,371

- 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 ended March 31, 2025 and 2024, amounted to \$6,024 and \$20,210, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2025			
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%	\$ 2,519	\$ -
HKD:NTD	1.00%	764	-
AUD:NTD	1.00%	104	-
EUR:NTD	1.00%	39	-
RMB:NTD	1.00%	675	-
USD:RMB	1.00%	63	-
<u>Non-monetary items</u>			
USD:NTD	1.00%	-	167
THB:NTD	1.00%	-	14

Three months ended March 31, 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%	\$ 3,606	\$ -
HKD:NTD	1.00%	888	-
AUD:NTD	1.00%	102	-
EUR:NTD	1.00%	39	-
RMB:NTD	1.00%	945	-
USD:RMB	1.00%	58	-
<u>Non-monetary items</u>			
USD:NTD	1.00%	-	175
THB:NTD	1.00%	-	24

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 three months ended March 31, 2025 and 2024 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 March 31, 2025, December 31, 2024, and March 31, 2024, the provision matrix and loss rate methodology are as follows:

Group 1	Not past due	Up to 90 days	91-180 days	181-270 days	Over 270 days	Total
<u>March 31, 2025</u>						
Expected loss rate	0.00%~ 0.17%	0.5%~ 6.25%	0.01%~ 25%	0.24%~ 25%	100.00%	
Total book value	\$ 52,983	\$ 3,098	\$ 622	\$ -	\$ 4,964	\$ 61,667
Loss allowance	\$ 9	\$ -	\$ -	\$ -	\$ 4,964	\$ 4,973

<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, 2024</u>						
Expected loss rate	0.00%~ 0.10%	0.00%~ 3.13%	0.01%~ 12.5%	0.15%~ 25%	100%	
Total book value	\$ 45,799	\$ 9,513	\$ -	\$ 589	\$ 6,323	\$ 62,224
Loss allowance	\$ 4	\$ 13	\$ -	\$ 112	\$ 6,323	\$ 6,452

<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>March 31, 2024</u>						
Expected loss rate	0.42%~ 2.21%	4.72%~ 14.06%	9.92%~ 25%	10.09%~ 35.83%	100.00%	
Total book value	\$ 47,789	\$ 5,054	\$ 3,499	\$ 603	\$ 4,854	\$ 61,799
Loss allowance	\$ 420	\$ 448	\$ 353	\$ 82	\$ 4,854	\$ 6,157

	<u>Individual</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>
<u>March 31, 2025</u>				
Expected loss rate	4.09%	0.00%	0.00%	
Total book value	\$ 181,406	\$ 8,418	\$ 199	\$ 190,023
Loss allowance	\$ 7,416	\$ -	\$ -	\$ 7,416

	<u>Individual</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>
<u>December 31, 2024</u>				
Expected loss rate	4.47%	0%	0%	
Total book value	\$ 165,732	\$ 7,889	\$ 11,305	\$ 184,926
Loss allowance	\$ 7,416	\$ -	\$ -	\$ 7,416

	<u>Individual</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>
<u>March 31, 2024</u>				
Expected loss rate	0%	0%	0%	
Total book value	\$ 143,916	\$ 13,416	\$ 2,295	\$ 159,627
Loss allowance	\$ -	\$ -	\$ -	\$ -

Group 1: General business

Group 2: Government-owned corporation

Group 3: Government organisations

- ix. As of March 31, 2025, December 31, 2024, and March 31, 2024, contract assets amounted to \$173,990, \$158,316 and \$143,916, respectively, and loss allowance are \$700, \$700 and \$0 , and the expected credit loss rate are 0.44%, 0.44% 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:

2025				
	Accounts receivable	Contract assets	Notes receivable	Total
At January 1	\$ 13,168	\$ 700	\$ -	\$ 13,868
Reversal of impairment loss	17	-	-	17
Write-offs	(1,506)	-	-	(1,506)
Effects of foreign exchange	10	-	-	10
At March 31	<u>\$ 11,689</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 12,389</u>

2024				
	Accounts receivable	Contract assets	Notes receivable	Total
At January 1	\$ 6,552	\$ 2,397	\$ -	\$ 8,949
Reversal of impairment loss	(446)	(2,397)	-	(2,843)
Effects of foreign exchange	51	-	-	51
At March 31	<u>\$ 6,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,157</u>

(c) Liquidity risk

- 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.
- 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
March 31, 2025				
Accounts payable	\$ 59,445	\$ -	\$ -	\$ 59,445
Other payables	78,156	31,970	-	110,126
Lease liabilities	5,207	32,682	438	38,327
	<u>\$ 142,808</u>	<u>\$ 64,652</u>	<u>\$ 438</u>	<u>\$ 207,898</u>

<u>Non-derivative financial liabilities:</u>	<u>Less than</u>	<u>Between 3</u>	<u>Between 2 and</u>	
December 31, 2024	<u>3 months</u>	<u>months and 2 years</u>	<u>5 years</u>	<u>Total</u>
Accounts payable	\$ 73,377	\$ 77	\$ -	\$ 73,454
Accounts payable-related parties	148	-	-	148
Other payables	118,133	27,609	-	145,742
Lease liabilities	2,495	8,476	1,024	11,995
	<u>\$ 194,153</u>	<u>\$ 36,162</u>	<u>\$ 1,024</u>	<u>\$ 231,339</u>
<u>Non-derivative financial liabilities:</u>	<u>Less than</u>	<u>Between 3</u>	<u>Between 2 and</u>	
March 31, 2024	<u>3 months</u>	<u>months and 2 years</u>	<u>5 years</u>	<u>Total</u>
Accounts payable	\$ 49,322	\$ 648	\$ -	\$ 49,970
Other payables	78,138	31,203	-	109,341
Lease liabilities	4,162	11,623	1,427	17,212
	<u>\$ 131,622</u>	<u>\$ 43,474</u>	<u>\$ 1,427</u>	<u>\$ 176,523</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:

March 31, 2025	<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	\$ -	\$ -	\$ -	\$ -
December 31, 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	\$ -	\$ -	\$ -	\$ -
March 31, 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	\$ -	\$ -	\$ -	\$ -

- 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 three months ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. For the three months ended March 31, 2025 and 2024, 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 significant securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. 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 1.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 2.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

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:

Three months ended March 31, 2025:

	Commercial segment	Financial business segment	Project segment	Total
Revenue from external customers	\$ 113,937	\$ 63,996	\$ 25,577	\$ 203,510
Inter-segment revenue	2,798	-	-	2,798
Total segment revenue	<u>\$ 116,735</u>	<u>\$ 63,996</u>	<u>\$ 25,577</u>	<u>\$ 206,308</u>
Segment income (loss)	<u>\$ 4,133</u>	<u>\$ 816</u>	<u>(\$ 1,236)</u>	<u>\$ 3,713</u>
Segment loss, including:				
Depreciation and amortisation	<u>(\$ 2,563)</u>	<u>(\$ 2,482)</u>	<u>(\$ 599)</u>	<u>(\$ 5,644)</u>

Three months ended March 31, 2024:

	Commercial segment	Financial business segment	Project segment	Total
Revenue from external customers	\$ 97,807	\$ 42,938	\$ 24,533	\$ 165,278
Inter-segment revenue	2,510	-	-	2,510
Total segment revenue	<u>\$ 100,317</u>	<u>\$ 42,938</u>	<u>\$ 24,533</u>	<u>\$ 167,788</u>
Segment loss	<u>(\$ 4,323)</u>	<u>(\$ 13,651)</u>	<u>(\$ 1,631)</u>	<u>(\$ 19,605)</u>
Segment loss, including:				
Depreciation and amortisation	<u>(\$ 2,049)</u>	<u>(\$ 2,115)</u>	<u>(\$ 525)</u>	<u>(\$ 4,689)</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	Three months ended March 31	
	2025	2024
Total reportable segment revenue	\$ 206,308	\$ 167,788
Write-off of inter-segment revenue	(2,798)	(2,510)
Operating revenue	<u>\$ 203,510</u>	<u>\$ 165,278</u>
Profit or loss	Three months ended March 31	
	2025	2024
Segment income	\$ 3,713	(\$ 19,605)
Adjustments and write-offs	(2,798)	(2,510)
Non-operating income and expenses	<u>15,752</u>	<u>33,028</u>
Income before tax from continuing operations	<u>\$ 16,667</u>	<u>\$ 10,913</u>

ARES INTERNATIONAL CORP. AND SUBSIDIARIES
Names, locations, and related information on investees (excluding information on investment in Mainland China)
Three months ended March 31, 2025

Table 1

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 March 31, 2025			Net profit (loss) of the investee for the period ended March 31, 2025 (Note 2(2))	Investment income (loss) recognised by the Company for the period ended March 31, 2025 (Note 2(3))	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	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	\$ 31,040	\$ 7,164	\$ 2,427	
"	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	95,410	23,856	4,168	
"	ARES GROUP CORP.	Seychelles	Investment business	35,029	35,029	1,500,000	100.00	17,066	(594)	(594)	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	1,442	(110)	(54)	
"	WELJOIN TECHNOLOGIES LIMITED (BVI)	British Virgin Islands	Investment business	26,177	26,177	50,000	100.00	28,109	(3,084)	(3,084)	Subsidiary
ARES GROUP CORP.	SHARP KEEN MANAGEMENT LIMITED	"	"	34,115	34,115	1,120,000	100.00	16,806	(594)	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	16,734	(2,376)	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 March 31, 2025' 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 period ended March 31, 2025' 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 period ended March 31, 2025' 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

Three months ended March 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method	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	Net income of investee for the period ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the period ended March 31, 2025 (Note 2)	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Note
APLUSOFT (SUZHOU) CORPORATION.	Research and development of enterprise management software and sale of self-produce product of the Company	\$ 25,228	Note 1	\$ 7,033	\$ -	\$ -	\$ 7,033	\$ -	\$ -	\$ 7,033	(\$ 3,135)	95.88	(\$ 3,006)	\$ 26,745	\$ 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 March 31, 2025	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	\$ 562,371