

**ACBEL POLYTECH INC. AND SUBSIDIARIES****CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Report  
For the Years Ended December 31, 2025 and 2024**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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## **Representation Letter**

The entities that are required to be included in the consolidated financial statements of Acbel Polytech Inc. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Acbel Polytech Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Acbel Polytech Inc.

Chairman: Chieh-Li Hsu

Date: March 11, 2026



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## Independent Auditors' Report

To the Board of Directors of Acbel Polytech Inc.:

### Opinion

We have audited the consolidated financial statements of Acbel Polytech Inc. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audit results and the audit reports of another auditor (please refer to the Other Matters paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretation developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of this accountant and the audit reports of other accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of certain subsidiaries as of December 31, 2024. Those financial statements were audited by another auditor, and our opinion, insofar as it relates to those subsidiaries, is based solely on the report of another auditor. The assets and operating revenue of these subsidiaries constituted 27% and 38% of the consolidated total assets and operating revenue as of and for the year ended December 31, 2024, respectively.

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, We have issued an unmodified opinion and an unmodified opinion with an other matter paragraph on these financial statements, respectively, for reference.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report were as follows:

### **1. Revenue Recognition of Vendor Management Inventory (VMI)**

Please refer to note (4)(o) revenue for operating revenue recognition (including VMI). Information regarding sales revenue and revenue from contracts with customers is shown in note (6)(y) of the consolidated financial statements.

Description of key audit matter:

The Group has established vender managed inventories in overseas warehouses which do not belong to the Group. The revenue recognition, according to the partial sales contract of the Group, should be based on the circumstance of VMI client delivery. Both parties reconcile periodically to ensure the consistency in the amount and timing of sales recognition. Therefore, revenue recognition, VMI is one of the key judgmental areas for our audit.

Audit Procedure:

Our principal audit procedures included: understanding and testing the related controls surrounding the aforementioned sales and collection cycle, reconciling the account records between Acbel Polytech Inc. and VMI client delivery, selectively conducting external confirmations on VMI, as well as assessing the operating revenue recognition (including VMI) of the Group to determine whether related accounting policies are applied appropriately.

### **2. Valuation of inventory**

Please refer to note (4)(h) inventories and note (5)(a) of the consolidated financial statements for inventories and accounting estimate of inventory valuation, respectively. Information regarding the inventory and related expenses is shown in note (6)(g) of the consolidated financial statements.

Description of key audit matter:

Due to the impact of product life cycle and industrial competition in electronics industry, the price variability for the inventory of the Group is expected. Therefore, the test of inventory valuation is one of the significant evaluation in audit procedures.

Audit procedure:

Our principal audit procedure included: understanding and testing related controls of production cycle and assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policies of the Group and accounting policies are applied. In addition, in order to verify the rationality of assessment on allowance to reduce the price of inventory to the market price, we inspected the inventory aging statement, analyzed the change in aging inventory, as well as verified the aging inventory statement and the calculation of lower of cost or net realizable value.

### 3. Impairment Assessment of Intangible Assets

Please refer to note (4)(m) "Impairment-non-financial assets" for the accounting policies related to the impairment of intangible assets, note (5)(b) for accounting estimates and assumptions uncertainty related to the impairment of intangible assets, and note (6)(m) "Intangible assets" for details of movements in intangible assets.

#### Description of Key Audit Matters:

The Company identified its intangible assets of goodwill, customer relationships and ongoing research and development projects, in the transaction of acquiring OmniOn Power Inc. through its subsidiaries, AcLeap Power Inc. and Acbel Polytech (Singapore) Pte Ltd., in 2023. Due to the fluctuations in the market environment and other factors, there is uncertainty in the estimate of impairment for these intangible assets. Therefore, the impairment assessment of intangible assets of the Group's consolidated financial statements is considered one of our key audit matters.

#### Audit Procedures:

The principal audit procedures performed regarding the impairment assessment of intangible assets included:

Evaluating the management's identification of any impairment indicators relating to cash-generating units (CGUs); obtaining the impairment assessment report prepared by the internal expert engaged by the Group; reviewing the valuation methods, parameters, and assumptions, adopted therein for reasonableness; comparing the actual operating results with the prior forecasts to assess the achievability of management's assumptions; performing sensitivity analyses to evaluate the potential impact of changes in key assumptions on the impairment results, and assessing the completeness and appropriateness of related disclosures in the consolidated financial statements.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chien, Szu-Chuan and Wang, I-Wen.

KPMG

Taipei, Taiwan (Republic of China)

March 11, 2026

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## ACBEL POLYTECH INC. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
4000 <b>Operating revenue</b> (notes (6)(y) , (7) and (14))	\$ 31,726,761	100.0	31,695,098	100.0
5000 <b>Operating costs</b> (notes (6)(g) and (7))	<u>23,558,374</u>	<u>74.3</u>	<u>24,315,647</u>	<u>76.7</u>
5900 <b>Gross profit</b>	<u>8,168,387</u>	<u>25.7</u>	<u>7,379,451</u>	<u>23.3</u>
6000 <b>Operating expenses</b> (notes (6)(t) , (6)(w) , (6)(z) , (7) and (12)(a)):				
6100 Selling expenses	1,705,100	5.4	1,779,459	5.6
6200 Administrative expenses	2,780,772	8.7	3,012,884	9.5
6300 Research and development expenses	<u>2,968,141</u>	<u>9.3</u>	<u>2,709,882</u>	<u>8.6</u>
	<u>7,454,013</u>	<u>23.4</u>	<u>7,502,225</u>	<u>23.7</u>
6900 <b>Net operating income (loss)</b>	<u>714,374</u>	<u>2.3</u>	<u>(122,774)</u>	<u>(0.4)</u>
7000 <b>Non-operating income and expenses:</b>				
7100 Interest income	210,519	0.7	271,472	0.8
7190 Other income and (losses) (notes (6)(i) , (6)(j) and (6)(aa))	(98,426)	(0.3)	(94,149)	(0.3)
7230 Foreign exchange gains (loss), net (notes (6)(e) and (6)(ab))	(314,909)	(1.0)	356,616	1.1
7235 Gains (losses) on financial assets (liabilities) at fair value through profit or loss (notes (6)(b) , (6)(e) , (6)(r) and (6)(ab))	49,020	0.2	(13,928)	-
7510 Interest expense (notes (6)(r) and (6)(s))	(273,128)	(0.9)	(262,294)	(0.8)
7770 Share of profit and (losses) of associates and joint ventures accounted for using the equity method (note (6)(i))	(267)	-	27,834	0.1
	<u>(427,191)</u>	<u>(1.3)</u>	<u>285,551</u>	<u>0.9</u>
7900 <b>Profit before tax</b>	287,183	1.0	162,777	0.5
7950 Income tax expenses (note (6)(u))	<u>145,528</u>	<u>0.5</u>	<u>198,483</u>	<u>0.6</u>
Profit (loss) from continuing operations, net of tax	<u>141,655</u>	<u>0.5</u>	<u>(35,706)</u>	<u>(0.1)</u>
8100 <b>Profit (loss) from discontinued operations:</b>				
8101 Profit from discontinued operations, net of tax (note (12)(b))	5,965	-	18,851	0.1
8200 <b>Profit (loss)</b>	<u>147,620</u>	<u>0.5</u>	<u>(16,855)</u>	<u>-</u>
8300 <b>Other comprehensive income (loss):</b>				
8310 <b>Items that may not be reclassified subsequently to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans (note (6)(t))	(19,200)	(0.1)	81,417	0.3
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	88,051	0.3	(125,975)	(0.3)
8349 Less: income tax related to components of other comprehensive income (note (6)(u))	<u>(9,615)</u>	<u>-</u>	<u>(11,549)</u>	<u>0.1</u>
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>78,466</u>	<u>0.2</u>	<u>(33,009)</u>	<u>(0.1)</u>
8360 <b>Items that may be reclassified subsequently to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	(140,786)	(0.4)	482,429	1.4
8399 Less: income tax related to components of other comprehensive income	-	-	-	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(140,786)</u>	<u>(0.4)</u>	<u>482,429</u>	<u>1.4</u>
8300 <b>Other comprehensive income (loss)</b>	<u>(62,320)</u>	<u>(0.2)</u>	<u>449,420</u>	<u>1.3</u>
8500 <b>Comprehensive income (loss)</b>	<u>\$ 85,300</u>	<u>0.3</u>	<u>\$ 432,565</u>	<u>1.3</u>
<b>Profit (loss) attributable to:</b>				
8610 Owners of parent	\$ 152,803	0.5	(30,150)	-
8620 Non-controlling interests	<u>(5,183)</u>	<u>-</u>	<u>13,295</u>	<u>-</u>
	<u>\$ 147,620</u>	<u>0.5</u>	<u>(16,855)</u>	<u>-</u>
<b>Comprehensive income (loss) attributable to:</b>				
8710 Owners of parent	\$ 91,178	0.3	406,384	1.2
8720 Non-controlling interests	<u>(5,878)</u>	<u>-</u>	<u>26,181</u>	<u>0.1</u>
	<u>\$ 85,300</u>	<u>0.3</u>	<u>\$ 432,565</u>	<u>1.3</u>
<b>Profit (loss) attributable to:</b>				
Owners of parent				
Profit (loss) from continued operations, net of tax	\$ 146,838	0.5	(49,001)	(0.2)
Profit from discontinued operations, net of tax	5,965	-	18,851	0.1
8610 Profit (loss) attributable to owners of parent	<u>\$ 152,803</u>	<u>0.5</u>	<u>(30,150)</u>	<u>(0.1)</u>
Non-controlling interests				
Profit (loss) from continued operations, net of tax	\$ (5,183)	-	13,295	-
Profit from discontinued operations, net of tax	-	-	-	-
8620 Profit (loss) attributable to non-controlling interests	<u>\$ (5,183)</u>	<u>-</u>	<u>13,295</u>	<u>-</u>
				0.1
<b>Comprehensive income (loss) attributable to:</b>				
Owners of parent				
Comprehensive income (loss) from continued operations, net of tax	\$ 85,213	0.3	387,533	1.2
Comprehensive income (loss) from discontinued operations, net of tax	5,965	-	18,851	0.1
8710 Comprehensive income (loss) attributable to owners of parent	<u>\$ 91,178</u>	<u>0.3</u>	<u>406,384</u>	<u>1.3</u>
Non-controlling interests				
Comprehensive income (loss) from continued operations, net of tax	\$ (5,878)	-	26,181	0.1
Comprehensive income (loss) from discontinued operations, net of tax	-	-	-	-
8720 Comprehensive income (loss) attributable to non-controlling interests	<u>\$ (5,878)</u>	<u>-</u>	<u>26,181</u>	<u>0.1</u>
<b>Earnings per share</b> (note (6)(x)):				
9750 <b>Basic net income per share (NT dollars)</b>				
Basic earnings (loss) per share from continuing operations	\$	0.17		(0.06)
Basic earnings per share from discontinued operations		0.01		0.02
Total basic earnings per share	<u>\$</u>	<u>0.18</u>		<u>(0.04)</u>
9850 <b>Diluted net income per share (NT dollars)</b>				
Diluted earnings per share from continuing operations	\$	0.15		
Basic earnings per share from discontinued operations		0.01		
Total diluted earnings per share	<u>\$</u>	<u>0.16</u>		

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**ACBEL POLYTECH INC. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent											
	Retained earnings					Other components of equity						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	\$ 8,621,191	10,348,529	1,414,288	235,245	2,943,168	(105,099)	(162,208)	(139,472)	(406,779)	23,155,642	361,740	23,517,382
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	6,453	-	(6,453)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	32,063	(32,063)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(430,930)	-	-	-	-	(430,930)	-	(430,930)
Profit (loss) for the year ended December 31, 2024	-	-	-	-	(30,150)	-	-	-	-	(30,150)	13,295	(16,855)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	64,377	469,543	(97,386)	-	372,157	436,534	12,886	449,420
Comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	34,227	469,543	(97,386)	-	372,157	406,384	26,181	432,565
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	3,089	-	-	-	-	-	-	-	3,089	-	3,089
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(7,144)	-	-	-	-	(7,144)	(3,169)	(10,313)
Share-based payments transactions	(33,820)	(130,022)	-	-	2,623	-	-	112,392	112,392	(48,827)	-	(48,827)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(71,595)	(71,595)
<b>Balance at December 31, 2024</b>	<b>8,587,371</b>	<b>10,221,596</b>	<b>1,420,741</b>	<b>267,308</b>	<b>2,503,428</b>	<b>364,444</b>	<b>(259,594)</b>	<b>(27,080)</b>	<b>77,770</b>	<b>23,078,214</b>	<b>313,157</b>	<b>23,391,371</b>
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	2,971	-	(2,971)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(267,308)	267,308	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(257,591)	-	-	-	-	(257,591)	-	(257,591)
Profit (loss) for the year ended December 31, 2025	-	-	-	-	152,803	-	-	-	-	152,803	(5,183)	147,620
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(13,003)	(140,091)	91,469	-	(48,622)	(61,625)	(695)	(62,320)
Comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	139,800	(140,091)	91,469	-	(48,622)	91,178	(5,878)	85,300
Cash dividends from capital surplus	-	(171,727)	-	-	-	-	-	-	-	(171,727)	-	(171,727)
Other changes in capital surplus	-	1,029	-	-	-	-	-	-	-	1,029	-	1,029
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(2,492)	-	-	-	-	(2,492)	-	(2,492)
Share-based payments transactions	(27,080)	-	-	-	-	-	-	27,080	27,080	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,407)	(8,407)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(300,120)	-	167,540	-	167,540	(132,580)	-	(132,580)
<b>Balance at December 31, 2025</b>	<b>\$ 8,560,291</b>	<b>10,050,898</b>	<b>1,423,712</b>	<b>-</b>	<b>2,347,362</b>	<b>224,353</b>	<b>(585)</b>	<b>-</b>	<b>223,768</b>	<b>22,606,031</b>	<b>298,872</b>	<b>22,904,903</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## ACBEL POLYTECH INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
Profit from continued operations, net of tax	\$ 287,183	162,777
Profit from discontinued operations before tax	7,456	23,563
Profit before tax	294,639	186,340
Adjustments for:		
Depreciation expense	1,319,240	1,309,919
Amortization expense	384,357	386,437
Expected credit loss	14,042	22,475
Net gain on financial assets or liabilities at fair value through profit or loss	(83,394)	13,928
Interest expense	276,651	272,088
Interest income	(210,682)	(273,807)
Compensation costs of share-based payment transaction	-	(48,826)
Share of profit of associates and joint ventures accounted for using the equity method	267	(27,834)
Gain on disposal of property, plant and equipment	10,125	(4,009)
Loss on disposal of investments	20,101	-
Gain on disposal and remeasurement of investments accounted for under the equity method	-	(8,032)
Impairment loss on non-financial assets	10,917	4,180
Others	45	(2,174)
	<u>1,741,669</u>	<u>1,644,345</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in derivative financial assets for hedging	(309)	2,965
Decrease (increase) in notes receivable	185,188	(190,157)
Increase in accounts receivable	(1,023,891)	(214,344)
Decrease (increase) in accounts receivable due from related parties	260,497	(98,209)
Decrease (increase) in other receivables	(116,208)	78,556
Decrease (increase) in inventories	(1,079,551)	418,270
Decrease (increase) in prepayment and other current assets	134,745	(195,206)
Increase in net defined benefit assets	(47,726)	-
Increase in derivative financial liabilities for hedging	4,316	2,930
Increase in contract liabilities	616,135	56,087
Decrease in accounts payable (including related parties)	1,147,656	551,319
Increase in accrued expense and other current liabilities	450,582	11,343
Increase in provisions for employee benefits, non-current	9,628	51,129
<b>Total changes in operating assets and liabilities</b>	<u>541,062</u>	<u>474,683</u>
<b>Total adjustments</b>	<u>2,282,731</u>	<u>2,119,028</u>
Cash flows from operations	2,577,370	2,305,368
Interest received	223,511	267,141
Income taxes paid	(595,794)	(409,367)
<b>Net cash flows from operating activities</b>	<u>2,205,087</u>	<u>2,163,142</u>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	86,019	-
Proceeds from acquisition of financial assets at amortized cost	(1,410,078)	(366,895)
Acquisition of financial assets at fair value through profit or loss	(22,400)	-
Disposal of financial assets at fair value through profit or loss	56,827	26,534
Acquisition of investments accounted for using the equity method	(1,200,000)	-
Proceeds from disposal of investments accounted for using equity method	-	180,846
Proceeds from disposal of subsidiaries	342,949	-
Acquisition of liquidation distribution of investments accounted for using equity method and cash dividend	-	22,357
Acquisition of property, plant and equipment	(915,726)	(2,815,960)
Proceeds from disposal of property, plant and equipment	57,690	42,778
Increase in refundable deposits	(14,779)	(23,548)
Acquisition of intangible assets	(12,046)	(19,198)
Increase in other current financial assets	(33,066)	-
Decrease (increase) in other non-current assets	1,430	(76,220)
Cash movement of subsidiaries held for sale	-	(236,525)
Dividends received	19,919	-
<b>Net cash flows used in investing activities</b>	<u>(3,043,261)</u>	<u>(3,265,831)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	(2,017,745)	627,632
Proceeds from long-term borrowings	4,045,550	2,651,320
Repayments of long-term borrowings	(623,845)	(1,305,264)
Payment of lease liabilities	(344,246)	(334,604)
Cash dividends paid	(429,318)	(430,930)
Interest paid	(212,662)	(209,681)
Change in non-controlling interests	(8,407)	(71,428)
Guarantee deposits and others	(16,235)	319,678
<b>Net cash flows from (used in) financing activities</b>	<u>393,092</u>	<u>1,246,723</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(112,033)</u>	<u>173,279</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(557,115)</u>	<u>317,313</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>7,045,569</u>	<u>6,728,256</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 6,488,454</u>	<u>7,045,569</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars, unless otherwise specified)**

**(1) Company history**

Acbel Polytech Inc. (the “Company”) was incorporated on July 29, 1981 as a company limited by shares and registered under the Ministry of Economic Affairs, (R.O.C.). The major business activities of the Company are the research and development, manufacture, and sale of power supplies. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE).

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group” and individually as the “Group entities”). Please refer to note (4)(c) for related information about the Group's primarily business activities.

**(2) Approval date and procedures of the consolidated financial statements**

The consolidated financial statements were authorized for issue by the Board of Directors on March 11, 2026.

**(3) New standards, amendments and interpretations adopted:**

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

**(4) Summary of material accounting policies**

The material accounting policies presented in the consolidated financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the presented periods in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations” ) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Hedging financial instruments measured at fair value; and
- 4) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(s).

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2025	December 31, 2024	
The Company	Acbel Polytech Holdings Inc. (Acbel-BVI)	Investment	100%	100%	
"	Acbel Polytech International Inc. (Acbel Polytech I.I.)	Investment	100%	100%	
"	Acbel Polytech Japan Inc. (Acbel-JAP)	Marketing and service for electronic products	100%	100%	
"	AcRay Energy Co., Ltd. (AcRay)	Business of solar energy	100%	100%	
"	AcTek Energy Co., Ltd. (AcTek)	Business of solar energy	100%	100%	
"	Acbel Polytech (Ireland) Limited (Acbel-Ireland)	Maintenance of power supplies	100%	100%	
"	AcTel Power Co., Ltd. (AcTel Power)	Business of solar energy	100%	100%	
"	AcGile EV Power Inc. (AcGile)	Business of automotive electronics	100%	100%	
"	Sumray Power Company (Sumray)	Business of energy storage	-%	100%	Note 1
"	AcLeap Power Inc. (AcLeap Power)	Investment	83%	83%	
Acbel-BVI	Acbel Polytech (Singapore) Pte Ltd. (Acbel-SGP)	Investment	100%	100%	
"	Acbel (USA) Polytech Inc. (Acbel- USA)	Maintenance of power supplies	100%	100%	
"	Acbel Polytech (UK) Ltd. (Acbel-UK)	Maintenance of power supplies	100%	100%	
"	Acbel Polytech Philippines Inc. (Acbel-PHI)	Manufacture and sale of power supplies	100%	100%	
"	CSA Holdings Inc. (CSA)	Investment	40%	40%	
"	Acbel Polytech (SAMOA) Investment Inc. (Acbel-SAMOA)	Investment	100%	100%	
"	Acbel Electronic (Dong Guan) Co., Ltd. (API-PRC)	Manufacture and sale of power supplies	3%	3%	
"	Itasca Technology Inc. (Itasca)	Consultation and research on power supplies	-%	100%	Note 3
Acbel-SGP	API-PRC	Manufacture and sale of power supplies	97%	97%	
"	AcRise Power Inc. (AcRise Power)	Investment	-%	100%	
"	AcAmple Power Pte. Ltd. (AcAmple Power)	Investment	100%	100%	
AcLeap Power	AcRise Power	Investment	100%	-%	Note 5
AcRise Power	AcLeap Power	Investment	17%	17%	
Acbel-SAMOA	Acbel Electronic (WUHAN) Co., Ltd. (API-WUHAN)	Manufacture and sale of power supplies	100%	100%	
Acbel-PHI	CK Holdings Inc.(CK)	Investment	40%	40%	
CK	CSA	Investment	60%	60%	
AcBel Polytech I.I.	Power Station Holdings Ltd (Power Station)	Investment	83%	83%	

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2025	December 31, 2024	
Power Station	Shanghai Sino Hardware Electronics (Wujiang) Co, Ltd. (SINO)	Manufacture and sale of computer hardware	100%	100%	
"	Huhua Hardware Electronics (Vietnam) Company Limited (SINO-Vietnam)	Manufacture and sale of computer hardware	100%	100%	
SINO	Chongqing Tongliang District Shanghai Sino Hardware Electronics Co.Ltd. (SINO-Tongliang)	Manufacture and sale of computer hardware	100%	100%	
"	Chongqing Kanghua Metal Product Co., Ltd. (Kanghua-Chongqing)	Manufacture and sale of computer hardware	100%	100%	
AcLeap	OmniOn Power Holdings Inc. (OmniOn Power)	Investment	100%	100%	
"	OmniOn Power Technology GmbH (Switzerland) (OmniOn Power (CH))	Investment	100%	100%	
"	OmniOn Power (Taiwan) Inc. (OmniOn Power (Taiwan) )	Investment	100%	-%	Note 4
OmniOn Power (CH)	OmniOn Power (Europe) GmbH (OmniOn Power (EU) )	Investment	100%	-%	Note 2
OmniOn Power	OmniOn Power Overseas LLC. (OmniOn Overseas )	Investment	100%	100%	
"	OmniOn Power Inc. (OmniOn Power (US) )	Product marketing and design services	100%	100%	
OmniOn Power and OmniOn Overseas	OmniOn Power (Mexico) S. de R.L. de C.V. (OmniOn Power (MX) )	Product marketing	100%	100%	
OmniOn Overseas	OmniOn Power (Germany) GmbH (OmniOn Power (DE) )	Product marketing	100%	100%	
"	OmniOn Power (Singapore) Pte. Ltd. (OmniOn Power (SG) )	Product marketing	100%	100%	
OmniOn Power (US)	OmniOn Power Shanghai Co., Ltd. (OmniOn Power (Shanghai))	Manufacture	100%	100%	
"	OmniOn Power (India) Private Limited (OmniOn Power (India))	Marketing and technical services	100%	100%	
"	OmniOn Power Mumbai Private Limited (OmniOn Power (Mumbai))	Manufacture	100%	100%	
OmniOn Power (SG)	OmniOn Power (China) Co., Ltd. (OmniOn Power (China))	Product marketing and design services	100%	100%	
OmniOn Power (MX) and OmniOn Overseas	OmniOn Power Matamoros, S.A. de C.V. (OmniOn power (Matamoros))	Manufacture	100%	100%	

Note 1: On May 7, 2024, the Board of Directors resolved to dispose of the Company's entire shares in its subsidiary, Sumray Power, which was sold in the first quarter of 2025.

Note 2: OmniOn Power (EU) was incorporated in the first quarter of 2025.

Note 3: Itasca had completed the liquidation procedure in the second quarter of 2025.

Note 4: OmniOn Power (Taiwan) was incorporated in the second quarter of 2025.

Note 5: On November 10, 2025, AcAmple Power Board of Directors resolved to issue new shares as consideration for a share exchange with Acbel-SGP, thereby acquiring 100% ownership of AcRise Power.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that hedge is effective; or
- 3) qualifying cash flow hedges to the extent that hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Group's functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations, are translated into the Group's functional currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

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

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are reclassified as cash equivalents.

(g) Financial instruments

Account receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI )

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI. However, they are included in the account receivables line items.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables (current and non-current), guarantee deposit paid and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;  
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognized in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument. Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires is terminated or is exercised, then hedge accounting is discontinued prospectively. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted-average costing principle and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gain and loss resulting from the transactions between the Group and an associate are recognized only to the extent of unrealized Group's interest in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

- 1) Buildings: 2 ~ 50 years
- 2) Machinery: 5 ~20 years
- 3) Testing equipment: 5 ~8 years
- 4) Other equipment: 2 ~ 8 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of IT equipment that have a lease term of 12 months or less and leases of low-value asset. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group will continue to recognize the transferred asset and shall recognize the financial liability equal to the transfer proceeds.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follow:

- 1) Patents 10 years
- 2) Capitalization of development costs 10.5 years
- 3) Customer relationship 13.5 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

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A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

A provision for the site restoration is measured at a restoration cost which was estimated using different assumptions on the related changes in cost-elements from current market price.

The Group follows the policy of Bureau of Energy, Ministry of Economic Affairs, accruing the module recycle fee based on the size of the power station, and recognize as provision by the present value of decommissioning costs.

(o) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group manufactures electronic components to electronic manufacturers. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group often offers volume discounts to its customers based on aggregate sales of electronic components. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of electronic components are made with a credit term, which is consistent with the market practice.

(ii) Electricity generating income

Revenue from the sale of electricity is recognized after the electricity transmission is completed through the grid, and the revenue is calculated according to the fee agreed with Taiwan Power Company.

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(iii) Engineering contract and rendering of service

The Group provides engineering service, project management advisory and maintenance services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the services incurred to date as a proportion of the total services of the transaction. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Government grants and government assistance

The Group recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(q) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

When a newly incorporated entity is established solely for the purpose of facilitating a business combination, which lacks commercial substance, and represents a continuation of the acquiree, it shall not be identified as an accounting acquirer. In such cases, the transaction shall be accounted for using the book value method, rather than the acquisition method.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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For each business combination, the Group measures any non controlling interests in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's identifiable net assets, if the non controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(r) **Income taxes**

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined the supplementary tax payable based on the Global Minimum Tax Burden - Pillar Two framework falls within the scope of International Accounting Standard No. 12 "Income Taxes". The Group has applied the temporary mandatory exemption from deferred income tax accounting treatment related to such supplementary tax and recognizes the actual supplementary tax incurred as current income tax.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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(ii) Defined benefit plans

The Group's net obligation in respect of the defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group provides the loans with favorable terms to employees and presented in other non-current assets.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

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For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

(u) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee stock options, employee compensation which could be issued in the form of common stock not yet approved by the Board of Directors, restricted employee shares, and convertible bonds.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

(w) Non-current assets held-for-sale and discontinued operations

(i) Non-current assets held-for-sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held-for-sale. Immediately before classification as held-for-sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value, less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held-for-sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

When the Company is committed to a sales plan involving the loss of control over its subsidiary, which shall classify the entire assets and liabilities of its subsidiary as held-for-sale when the criteria set out in the aforementioned are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Once classified as held for sale, intangible assets, property, plant and equipment, and right of use assets are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

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(ii) Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed, or is classified as held for sale, and

- 1) represents a separate major line of business or geographic area of operations;
- 2) is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- 3) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and in future periods.

There are no critical judgments in applying the accounting policies that have significant effects on the amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Valuation of inventory

Inventories are stated at the lower of cost or net realizable value. Due to the impact of product life cycle and industrial competition in electronics industry, which tend to decrease the value of inventories, the Group assesses inventories based on their net realizable value. Valuation of inventory depends on the demand for products during specific periods; therefore, the value of inventories may fluctuate due to the fast-paced nature of the industry. Please refer to note (6)(g) of the financial statements for further details.

(b) Impairment of intangible assets (including goodwill)

The assessment of impairment of intangible assets requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amounts of relevant CGUs. Any changes in these estimates base on changed in economic conditions or business strategies and could result in significant impairment charges or reversals in future periods. Please refer to note (6)(n) of the consolidated financial statement for further details.

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**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 1,820	1,959
Checking accounts and demand deposits	1,543,700	3,084,911
Time deposits	<u>4,942,934</u>	<u>3,958,699</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 6,488,454</u>	<u>7,045,569</u>

(i) As of December 31, 2025 and 2024, time deposits with original maturity of more than 3 months amounting to \$2,377,071 and \$952,916 were recognized as current financial assets at amortized costs, respectively. Please refer to note (6)(d).

(ii) Please refer to note (6)(ab) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Current mandatorily measured at fair value through profit or loss:</b>		
Derivative instruments not used for hedging		
Convertible bonds – embedded derivatives	\$ <u>3,600</u>	<u>-</u>
Forward exchange swap contracts	\$ <u>-</u>	<u>340</u>
<b>Non-current mandatorily measured at fair value through profit or loss:</b>		
Derivative instruments not used for hedging		
Convertible bonds – embedded derivatives	\$ -	400
Non-derivative financial assets		
Limited partnership investment	<u>209,099</u>	<u>222,187</u>
	<u>\$ 209,099</u>	<u>222,587</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Current financial liabilities at fair value through profit or loss:</b>		
Convertible bonds – embedded derivatives	\$ <b>1,600</b>	-
<b>Non-current financial liabilities at fair value through profit or loss:</b>		
Convertible bonds – embedded derivatives	\$ -	<b>60,800</b>

The Group engages in derivative financial instrument transactions to hedge foreign exchange and interest rate risk exposures arising from its operating, financing and investing activities. As of December 31, 2025, the Group had no outstanding forward foreign exchange contracts. As of December 31, 2024, derivative instruments that did not qualify for hedge accounting were classified as financial assets mandatorily measured at fair value through profit or loss and financial liabilities held for trading, and the details of such derivative instruments are presented below:

	<b>December 31, 2024</b>		
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity dates</b>
<b>Financial assets:</b>			
Forward exchange contracts – swap in CNY/swap out USD	USD <b>3,500</b>	USD to CNY	2025.3.10

(i) For the years ended December 31, 2025 and 2024, the Group received from Zoyi Capital Fund II the refund of \$55,706 and \$23,288, respectively, recognized as negative of non-current mandatorily measured at fair value through profit or loss, resulting in an investment gain of \$20,218 and \$20,882, respectively, to be recognized as net gain or loss on financial assets (liabilities) at fair value through profit or loss. In addition, the Group completed the payment for the remaining committed capital contribution of \$22,400 in the third quarter of 2025.

(ii) As of December 31, 2025 and 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Equity investments at fair value through other comprehensive income:		
Common stock unlisted on domestic markets	\$ 1,000	1,000
Common stock listed on foreign markets	84,447	82,415
Total	\$ <b>85,447</b>	<b>83,415</b>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.
- (ii) For the year ended December 31, 2025, the Group disposed of some of its equity instruments at a fair value of \$86,019, resulting in the accumulated after-tax loss and related income tax benefit of \$167,540 and \$132,580, which were reclassified to retained earnings. There were no such transactions in 2024.
- (iii) For credit risk and market risk, please refer to note (6)(ab).
- (iv) As of December 31, 2025 and 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.
- (d) Financial assets measured at amortized cost

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Current	\$ 2,287,269	907,929
Non-current	89,802	44,987
	<b>\$ 2,377,071</b>	<b>952,916</b>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Group holds time deposits, with the range of interest rate of 1.00%~4.40% and 1.30%~5.85% during the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

- (e) Financial instruments used for hedging

The Group holds trade receivables and payables in foreign currency. Fluctuations in the foreign currency exchange rate pose a risk to the fair value of the receivables and payables. The Group assessed the risk as possibly significant, and therefore, purchased forward exchange contracts for hedging purposes.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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- (i) The fair value of the hedged item and the derivative financial instruments designated as hedging instruments were as follows:

<u>Hedged item</u>	<u>Derivative financial instrument</u>	<u>Designated hedging instruments - Fair value</u>	
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable in foreign currency -USD	Forward exchange sold	\$ <u>(992)</u>	<u>(3,040)</u>
Accounts receivable in foreign currency -CNY	Forward exchange sold	\$ <u>(6,126)</u>	<u>-</u>

- (ii) Forward exchange contracts of foreign currency for hedging:

<u>December 31, 2025</u>			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity</u>
<b>Hedging financial assets:</b>			
Forward exchange sold	USD <u>1,500</u>	USD to CNY	2026.3.25 ~ 2026.4.24
<b>Hedging financial liabilities:</b>			
Forward exchange sold	USD <u>6,500</u>	USD to CNY	2026.1.23 ~ 2026.4.24
Forward exchange sold	RMB <u>60,000</u>	CNY to TWD	2026.2.11
<u>December 31, 2024</u>			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity</u>
<b>Hedging financial liabilities:</b>			
Forward exchange sold	USD <u>3,000</u>	USD to CNY	2025.1.24 - 2025.3.25

- (iii) The gains (losses) from the hedging instruments were \$(4,078) and \$(5,977) for the years ended December 31, 2025 and 2024, respectively. The gains (losses) from the hedged item attributable to the hedged risk were \$4,078 and \$5,977 for the years ended December 31, 2025 and 2024, respectively.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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(f) Notes and accounts receivable (including related parties)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable from operating activities	\$ 44,623	229,811
Accounts receivable (including related parties) – measured at amortized cost	9,674,959	8,952,121
Accounts receivable – fair value through other comprehensive income	<u>1,190</u>	<u>-</u>
	9,720,772	9,181,932
Less: loss allowance	<u>(50,419)</u>	<u>(35,764)</u>
	<u><u>\$ 9,670,353</u></u>	<u><u>9,146,168</u></u>

The Group has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable were measured at fair value through other comprehensive income.

The Group applies the simplified approach to provide for its expected credit losses, i.e., using the lifetime expected loss provision for all receivable. To measure the expected credit losses, trade receivables and notes receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including collecting history of credit loss and reasonable forecast of future economic conditions. The loss allowance provisions were determined as follows:

	<u>December 31, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 8,807,690	0.1%	4,611
1 to 90 days past due	769,332	1.1%	8,271
91 to 180 days past due	113,608	8.9%	10,149
181 to 270 days past due	3,339	18.1%	605
271 to 365 days past due	83	75.9%	63
More than 365 days past due	<u>26,720</u>	100.0%	<u>26,720</u>
Total	<u><u>\$ 9,720,772</u></u>		<u><u>50,419</u></u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance</b>
Current	\$ 8,254,121	-%	1,387
1 to 90 days past due	801,723	0.2%	1,898
91 to 180 days past due	70,069	6.3%	4,418
181 to 270 days past due	18,086	32.9%	5,949
271 to 365 days past due	36,431	56.6%	20,610
More than 365 days past due	1,502	100.0%	1,502
<b>Total</b>	<b>\$ 9,181,932</b>		<b>35,764</b>

The movements in the allowance for notes and accounts receivable were as follows:

	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 35,764	22,278
Impairment loss recognized	16,611	12,215
Accounts written off	(308)	(124)
Foreign exchange gains (losses)	(1,648)	1,395
Balance on December 31	<b>\$ 50,419</b>	<b>35,764</b>

The Group entered into non-recourse accounts receivable factoring agreements with banks. According to the agreement, the Group is only responsible for the 10% of the receivables that cannot be recovered within its credit line, but the losses caused by commercial disputes are not included.

At the reporting date, the details of the factored accounts receivable but unsettled were as follows:

<b>December 31, 2025</b>						
<b>Purchaser</b>	<b>Amount Factored</b>	<b>Amount Advanced</b>	<b>Collateral</b>	<b>Amount Recognized in Other Receivables</b>	<b>Interest Rate</b>	<b>Others</b>
Bank	\$ 517	-	-	517	-	None
<b>December 31, 2024</b>						
<b>Purchaser</b>	<b>Amount Factored</b>	<b>Amount Advanced</b>	<b>Collateral</b>	<b>Amount Recognized in Other Receivables</b>	<b>Interest Rate</b>	<b>Others</b>
Bank	\$ 4,637	-	-	4,637	-	None

As of December 31, 2025 and 2024, the Group did not provide any aforementioned notes and accounts receivable as collaterals for its loans.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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## (g) Inventories

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Raw materials	\$ 4,174,681	3,732,797
Work in progress	656,218	456,797
Finished goods	2,601,072	2,618,338
Inventories in transit	750,493	388,623
	<b><u>\$ 8,182,464</u></b>	<b><u>7,196,555</u></b>

The details for the cost of sales were as follows:

	<b>2025</b>	<b>2024</b>
Cost of sales and expenses	\$ 23,451,508	23,965,775
Write-down of inventories (reversal of write-downs)	(13,819)	207,346
Unallocated production overheads	46,812	46,433
Loss on retirement of inventories	73,873	96,093
	<b><u>\$ 23,558,374</u></b>	<b><u>24,315,647</u></b>

As of December 31, 2025 and 2024, the Group did not provide any inventories as collaterals for its loans.

## (h) Non-current assets held for sale

On May 7, 2024, the Board of Directors resolved to dispose the Company's entire equity interests in its subsidiary, Sumray Power, wherein the Group recognized the entire assets and liabilities of Sumray as disposal group held-for-sale, and was sold in the first quarter of 2025. Please refer to note 6(j) for details.

As of December 31, 2024, the disposal group comprised the following assets and liabilities:

	<b>December 31, 2024</b>
Cash and cash equivalent	\$ 236,525
Accounts receivable, net	30,335
Other receivables	168
Prepayments and other current assets	209,102
Property, plant and equipment	2,802,304
Right-of-use assets	30,335
Other non-current assets	28,084
Non-current assets classified as held for sale ,net	<b><u>\$ 3,336,853</u></b>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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	<b>December 31, 2024</b>
Short-term borrowings	\$ 172,840
Accrued expenses and other payables	112,672
Current income tax payable	4,385
Current lease liabilities	2,026
Other current liabilities	206,412
Long-term borrowings	2,076,580
Non-current lease liabilities	31,397
Other non-current liabilities	<u>411,544</u>
Liabilities classified as held for sale	<u><u>\$ 3,017,856</u></u>

The total comprehensive income (loss) of Sumray was \$5,965, and \$18,851 for the years ended December 31, 2025 and 2024, respectively.

In 2023, Sumray, a subsidiary of the Group, entrusted non-related parties to construct an energy storage facility in Hualien, with a total contract price of \$3,089,780. As of December 31, 2024, the completed asset and the construction-in-progress of \$1,048,162 and \$1,783,276 were recognized as property, plant and equipment, as well as construction in progress and equipment pending inspection, respectively. Furthermore, the performance guarantee deposits received from non-related parties of \$206,412 and \$411,544 were recognized under other current liabilities and other non-current liabilities, respectively.

As of December 31, 2024, the aforementioned short-term borrowings of \$172,840 and long-term borrowings of \$1,296,350 were secured by a promissory note and endorsement issued by the Company. The remaining amount of \$780,230 was guaranteed by a letter of support issued by the Company.

(i) Investments accounted for using the equity method

(i) A summary of the Group's financial information about investments accounted for using the equity method at the reporting date was as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Associates - investments accounted for using the equity method	<u>\$ 3,382,234</u>	<u>2,204,913</u>

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	<b>2025</b>	<b>2024</b>
Attributable to the Group:		
Profit (loss)	\$ <u>(267)</u>	<u>27,834</u>
Comprehensive income	\$ <u><u>(267)</u></u>	<u><u>27,834</u></u>

- (ii) The Group did not participate in the cash capital increase conducted by Star Power Energy Corporation (Star Power) in the third quarter of 2025, resulting in its shareholding to decrease from 20% to 16.47%, and its retained earnings be adjusted by \$2,492.
- (iii) The Company's Board of Directors decided to increase the capital in its associate, Kinpo & Compal Group Assets Development Corporation (Kinpo & Compal Group), in cash of \$1,200,000, on November 12, 2025, resulting in its ownership remaining at 30% after the capital increase.
- (iv) On March 12, 2024, the Board of Directors resolved to sell 15% of the Company's equity interest in AcSacca to AcSun at a consideration of \$180,846, which had been received. All relevant registration procedures had been completed. As a result, the gain on disposal of \$8,032 has been recognized under other gains and losses in the consolidated statement of comprehensive income. Please refer to note 6 (aa) for details.
- (v) As of December 31, 2025 and 2024, the Group did not provide any investment accounted for using equity method as collateral for its loans.
- (vi) There are no significant restrictions on the ability of the associates to transfer funds to the Group.
- (j) Loss control of subsidiaries

The liquidation process of subsidiary Itasca was completed in the second quarter of 2025, with the liquidation price being \$10,076, resulting in a loss on disposal of \$20,746, recognized as other income and loss in the consolidated statement of comprehensive income. Please refer to note 6 (aa) for details.

On March 21, 2025, the Group disposed its subsidiary, Sumray, for \$325,607 (net of securities transaction tax), based on a resolution approved during the board meeting held on May 7, 2024, resulting in a gain on disposal of \$645, recognized as other income and loss in the consolidated statement of comprehensive income, and a loss of control over Sumray. Please refer to note 6 (aa) for details.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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As the date of loss of control, the book value of Sumray's assets and liabilities are as follows:

	<b>March 21, 2025</b>
Cash and cash equivalent	\$ 218,155
Accounts receivable, net	28,430
Tax assets	344
Prepayments and other current assets	240,623
Property, plant and equipment	2,797,444
Right-of-use assets	30,756
Other non-current assets	28,083
Short-term borrowings	(172,840)
Accrued expenses and other payables	(111,387)
Current tax liabilities	(6,204)
Current lease liabilities	(2,072)
Current portion of long-term borrowings	(2,076,580)
Non-current lease liabilities	(31,834)
Other non-current liabilities	<u>(617,956)</u>
The book value of the net assets of the previous subsidiary	<b><u>\$ 324,962</u></b>

(k) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024 were as follows:

	<b>Land</b>	<b>Buildings and construction</b>	<b>Machinery equipment</b>	<b>Testing equipment and other facilities</b>	<b>Construction in progress and prepayments for equipment</b>	<b>Total</b>
<b>Cost or deemed cost:</b>						
Balance on January 1, 2025	\$ 820,489	4,477,562	6,761,995	3,641,678	232,807	15,934,531
Additions	-	14,615	217,046	177,886	341,338	750,885
Reclassifications	-	12,056	137,835	31,915	(172,285)	9,521
Disposal and derecognitions	-	(2,964)	(209,415)	(160,243)	-	(372,622)
Effect of movements in exchange rates	<u>(5,183)</u>	<u>(40,194)</u>	<u>(78,437)</u>	<u>(22,094)</u>	<u>(4,811)</u>	<u>(150,719)</u>
Balance on December 31, 2025	<b><u>\$ 815,306</u></b>	<b><u>4,461,075</u></b>	<b><u>6,829,024</u></b>	<b><u>3,669,142</u></b>	<b><u>397,049</u></b>	<b><u>16,171,596</u></b>

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	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery equipment</u>	<u>Testing equipment and other facilities</u>	<u>Construction in progress and prepayments for equipment</u>	<u>Total</u>
Balance on January 1, 2024	\$ 818,902	4,304,532	5,189,556	3,343,187	2,293,363	15,949,540
Additions	-	32,927	850,869	216,880	1,891,153	2,991,829
Reclassification to non-current assets held for sale	-	-	(1,048,162)	-	(1,783,276)	(2,831,438)
Disposal and derecognitions	-	62,195	1,975,898	142,732	(2,183,888)	(3,063)
Derecognize the loss of the control of subsidiary	-	(792)	(361,611)	(88,181)	-	(450,584)
Effect of movements in exchange rates	1,587	78,700	155,445	27,060	15,455	278,247
Balance on December 31, 2024	<u>\$ 820,489</u>	<u>4,477,562</u>	<u>6,761,995</u>	<u>3,641,678</u>	<u>232,807</u>	<u>15,934,531</u>
<b>Depreciation and impairments loss:</b>						
Balance on January 1, 2025	\$ -	1,377,657	3,472,655	2,714,679	-	7,564,991
Depreciation	-	173,341	445,438	345,813	-	964,592
Reclassifications	-	-	(51)	51	-	-
Disposals and derecognitions	-	(2,964)	(167,663)	(134,180)	-	(304,807)
Effect of movements in exchange rates	-	(16,897)	(43,711)	(11,975)	-	(72,583)
Balance on December 31, 2025	<u>\$ -</u>	<u>1,531,137</u>	<u>3,706,668</u>	<u>2,914,388</u>	<u>-</u>	<u>8,152,193</u>
Balance on January 1, 2024	\$ -	1,167,546	3,373,541	2,331,466	-	6,872,553
Depreciation	-	173,303	463,078	338,202	-	974,583
Reclassification to non-current assets held for sale	-	-	(29,134)	-	-	(29,134)
Impairment loss	-	-	4,180	-	-	4,180
Reclassifications	-	-	(112,991)	113,292	-	301
Disposals and derecognitions	-	(456)	(325,002)	(86,357)	-	(411,815)
Effect of movements in exchange rates	-	37,264	98,983	18,076	-	154,323
Balance on December 31, 2024	<u>\$ -</u>	<u>1,377,657</u>	<u>3,472,655</u>	<u>2,714,679</u>	<u>-</u>	<u>7,564,991</u>
<b>Carrying amounts:</b>						
Balance on December 31, 2025	<u>\$ 815,306</u>	<u>2,929,938</u>	<u>3,122,356</u>	<u>754,754</u>	<u>397,049</u>	<u>8,019,403</u>
Balance on January 1, 2024	<u>\$ 818,902</u>	<u>3,136,986</u>	<u>1,816,015</u>	<u>1,011,721</u>	<u>2,293,363</u>	<u>9,076,987</u>
Balance on December 31, 2024	<u>\$ 820,489</u>	<u>3,099,905</u>	<u>3,289,340</u>	<u>926,999</u>	<u>232,807</u>	<u>8,369,540</u>

As of December 31, 2025 and 2024, the Group's property, plant and equipment were provided as collaterals for credit lines of borrowings. Please refer to note(8).

A resolution had been approved during Company's board meeting held on May 7, 2024 for the Group to dispose the entire equity interest of its fully-owned subsidiary, Sumray, resulting in Sumray's property, plant and equipment to be reclassified to assets held for sale in the beginning of the 2nd quarter of 2024. Please refer to note 6(h) for further details.

In the 1st quarter of 2025, the Group disposed the entire shares of Sumray. Please refer to note 6(j) for more details.

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(l) Right-of-use assets

The Group leases many assets including land, buildings and vehicles. Information about leases for which the Group is a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Other Equipment</u>	<u>Total</u>
<b>Cost:</b>					
Balance on January 1, 2025	\$ 164,450	1,489,276	63,404	32,840	1,749,970
Additions	3,689	21,758	58,265	16,559	100,271
Less	-	(12,984)	(19,995)	-	(32,979)
Effect of movements in exchange rates	(2,871)	6,344	(2,679)	2,750	3,544
Balance on December 31, 2025	<u>\$ 165,268</u>	<u>1,504,394</u>	<u>98,995</u>	<u>52,149</u>	<u>1,820,806</u>
Balance on January 1, 2024	\$ 122,288	1,520,554	62,787	-	1,705,629
Additions	71,834	255,085	12,430	33,629	372,978
Reclassification to non-current assets held for sale	(34,800)	(627)	-	-	(35,427)
Less	-	(279,195)	(14,953)	-	(294,148)
Effect of movements in exchange rates	5,128	(6,541)	3,140	(789)	938
Balance on December 31, 2024	<u>\$ 164,450</u>	<u>1,489,276</u>	<u>63,404</u>	<u>32,840</u>	<u>1,749,970</u>
<b>Accumulated depreciation and impairment loss:</b>					
Balance on January 1, 2025	\$ 19,699	619,707	32,688	2,805	674,899
Depreciation	5,661	300,977	23,771	12,439	342,848
Less	-	(6,614)	(19,082)	-	(25,696)
Effect of movements in exchange rates	446	10,377	(652)	609	10,780
Balance on December 31, 2025	<u>\$ 25,806</u>	<u>924,447</u>	<u>36,725</u>	<u>15,853</u>	<u>1,002,831</u>
Balance on January 1, 2024	\$ 10,433	577,873	20,808	-	609,114
Depreciation	12,093	302,350	24,989	2,842	342,274
Reclassification to non-current assets held for sale	(5,040)	(52)	-	-	(5,092)
Less	-	(251,706)	(14,133)	-	(265,839)
Effect of movements in exchange rates	2,213	(8,758)	1,024	(37)	(5,558)
Balance on December 31, 2024	<u>\$ 19,699</u>	<u>619,707</u>	<u>32,688</u>	<u>2,805</u>	<u>674,899</u>
<b>Carrying amount:</b>					
Balance on December 31, 2025	<u>\$ 139,462</u>	<u>579,947</u>	<u>62,270</u>	<u>36,296</u>	<u>817,975</u>
Balance on January 1, 2024	<u>\$ 111,855</u>	<u>942,681</u>	<u>41,979</u>	<u>-</u>	<u>1,096,515</u>
Balance on December 31, 2024	<u>\$ 144,751</u>	<u>869,569</u>	<u>30,716</u>	<u>30,035</u>	<u>1,075,071</u>

(i) In order to meet operational development, the Group entered into a lease agreement with a non-related party for its office building located at Beitou, Taipei. with a lease term of 9 years on December 23, 2019.

(ii) A resolution had been approved during Company's board meeting held on May 7, 2024 for the Group to dispose the entire equity interest of its fully-owned subsidiary, Sumray, resulting in Sumray's right-of-use assets to be reclassified to assets held for sale in the beginning of the 2nd quarter of 2024. Please refer to note 6(h) for further details.

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In the 1st quarter of 2025, the Group disposed the entire shares of Sumray. Please refer to note 6(j) for more details.

(m) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2025 and 2024 were as follows:

	<u>Goodwill</u>	<u>Customer relationship and research plan</u>	<u>Trademarks</u>	<u>Patent</u>	<u>Computer software and others</u>	<u>Total</u>
<b>Cost:</b>						
Balance at January 1, 2025	\$ 4,981,830	2,337,887	892,714	1,791,648	347,678	10,351,757
Addition	-	-	-	-	12,046	12,046
Transfer	-	-	-	-	3,758	3,758
Disposal	-	-	-	-	(4,326)	(4,326)
Effect of movement in exchange rates	-	-	27,685	43,061	(163)	70,583
Balance at December 31, 2025	<u>\$ 4,981,830</u>	<u>2,337,887</u>	<u>920,399</u>	<u>1,834,709</u>	<u>358,993</u>	<u>10,433,818</u>
Balance at January 1, 2024	\$ 4,981,830	2,337,896	892,714	1,791,648	337,157	10,341,245
Addition	-	-	-	-	19,198	19,198
Transfer	-	(9)	-	-	4,747	4,738
Disposal	-	-	-	-	(13,628)	(13,628)
Effect of movements in exchange rates	-	-	-	-	204	204
Balance at December 31, 2024	<u>\$ 4,981,830</u>	<u>2,337,887</u>	<u>892,714</u>	<u>1,791,648</u>	<u>347,678</u>	<u>10,351,757</u>
<b>Accumulated amortization and impairment losses</b>						
Balance at January 1, 2025	\$ -	259,881	-	268,747	260,814	789,442
Amortization	-	173,255	-	180,007	31,095	384,357
Disposal	-	-	-	-	(4,196)	(4,196)
Effect of movements in exchange rates	-	-	-	547	(16)	531
Balance at December 31, 2025	<u>\$ -</u>	<u>433,136</u>	<u>-</u>	<u>449,301</u>	<u>287,697</u>	<u>1,170,134</u>
Balance at January 1, 2024	\$ -	83,198	-	89,582	243,847	416,627
Amortization	-	176,683	-	179,165	30,589	386,437
Disposal	-	-	-	-	(13,628)	(13,628)
Transfer	-	-	-	-	(8)	(8)
Effect of movements in exchange rates	-	-	-	-	14	14
Balance at December 31, 2024	<u>\$ -</u>	<u>259,881</u>	<u>-</u>	<u>268,747</u>	<u>260,814</u>	<u>789,442</u>
<b>Carrying value:</b>						
Balance at December 31, 2025	<u>\$ 4,981,830</u>	<u>1,904,751</u>	<u>920,399</u>	<u>1,385,408</u>	<u>71,296</u>	<u>9,263,684</u>
Balance at January 1, 2024 (Restated)	<u>\$ 4,981,830</u>	<u>2,254,698</u>	<u>892,714</u>	<u>1,702,066</u>	<u>93,310</u>	<u>9,924,618</u>
Balance at December 31, 2024	<u>\$ 4,981,830</u>	<u>2,078,006</u>	<u>892,714</u>	<u>1,522,901</u>	<u>86,864</u>	<u>9,562,315</u>

- (i) As of the reporting date, the Group performed an impairment assessment on the recoverable amount of goodwill resulting from mergers and acquisitions using value in use as the basis for measurement. The value in use is determined based on projected future cash flows, applying the annual discount rates of 11% and 10.9% as of December 31, 2025 and 2024, respectively, to reflect the specific risks associated with the relevant CGUs. No impairment losses of goodwill were recognized for the years 2025 and 2024.

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(ii) As of December 31, 2025 and 2024, the Group did not provide any intangible assets as collateral for its loans.

(n) Short-term borrowings

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Unsecured bank loans	<u>\$ 2,522,013</u>	<u>4,548,512</u>
Unused short-term credit lines	<u>\$ 15,320,230</u>	<u>13,455,336</u>
Range of interest rates	<u>1.80%~6.25%</u>	<u>1.81%~6.45%</u>

(i) Please refer to note (6)(ab) for the interest risk, foreign currency exchange rate risk, and liquidity risk information of the Group.

(ii) As of December 31, 2025 and 2024, the Group did not provide any assets as collaterals for its short-term borrowings.

(o) Accrued expenses and other payables

The accrued expenses and other payables were summarized as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Dividends payable	\$ 70,451	75,421
Wages and salaries payable	1,165,761	880,824
Payables for equipment	89,188	195,911
Withholding tax payable	-	398,612
Income tax payable	415,437	301,122
Payables for remuneration due to employees and directors	38,962	33,153
Sales tax payable	181,356	240,439
Others	<u>1,066,103</u>	<u>1,029,187</u>
	<u>\$ 3,027,258</u>	<u>3,154,669</u>

In October 2025, Acleap Power transferred its trademark rights and patent rights to OmniOn Power (CH). As no related income tax expense was incurred subsequent to the transfer, the entire amount of withholding tax payable was reversed.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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(p) Other current liabilities

The other current liabilities were summarized as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Current refund liabilities	\$ 502,261	669,297
Provision for warranties	148,799	131,811
Employee benefit liabilities	74,002	70,644
Current contract liabilities	1,094,363	488,308
Others	578,018	313,218
Total	<b>\$ 2,397,443</b>	<b>1,673,278</b>

For sales contracts, the Group reduces its revenue by the amount of expected returns and recognized it as refund liabilities.

(q) Long-term borrowings

The long-term borrowings were summarized as follows:

<b>December 31, 2025</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	TWD	1.355%~6.45%	2027.05.20~2037.11.01	\$ 5,730,442
Secured bank loans	TWD	2.425%~6.5%	2028.10.20~2030.08.26	1,254,730
Less: current portion				561,424
Total				<b>\$ 6,423,748</b>
Unused long-term credit lines				<b>\$ 6,804,353</b>

<b>December 31, 2024</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	TWD	1.355%~7.09%	2027.05.20~2037.11.01	\$ 2,268,843
Secured bank loans	TWD	2.425%~6.5%	2028.10.20~2030.08.26	1,306,390
Less: current portion				555,524
Total				<b>\$ 3,019,709</b>
Unused long-term credit lines				<b>\$ 4,922,665</b>

- (i) Please refer to note (6)(ab) for the interest risk and liquidity risk information of the Group.
- (ii) As of December 31, 2024, the Company has issued a letter of support for some of the unsecured long-term borrowings of the subsidiaries of the Group.
- (iii) As of December 31, 2025 and 2024, the Group pledged part of its property, plant and equipment as collaterals for its long-term borrowings. Please refer to note (8).

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(iv) On May 7, 2024, the Board of Directors resolved to dispose the Company's entire shares in its subsidiary, Sumray, resulting in the long-term borrowings of Sumray to be reclassified to liabilities classified as held-for-sale. Please refer to note 6(h) and 6(ae) for details. The Company sold its subsidiary, Sumray in the first quarter of 2025, please refer to note(6)(j) for details.

(v) Syndicated loan

The syndicated loan agreement entered into by the Group with six financial institutions on April 8, 2025, with Bank SinoPac as the lead bank, has total credit line of \$6,000,000, of which \$3,900,000 had been drawn down as of December 31, 2025. The main terms are as follows:

1) Credit Facility Structure:

a) Facility A: with the credit limit of \$4,000,000 and non-revolving facility, is intended for repaying existing borrowings from financial institutions and supplementing medium-term working capital.

b) Facilities B and C: with a combined credit limit of \$2,000,000 and revolving in nature, are intended to supplement medium-term working capital.

2) Maturity date: The date 3 years after the first drawdown date.

3) Method of repayment: (1) Facility A: Principal repayment is divided into three installments. The first installment is due two years after the initial drawdown date, followed by subsequent installments every six months. The borrower shall repay 10% of the principal at the end of the first and second installments, and the remaining principal at the end of the third installment. (2) Facilities B and C: Each drawdown shall be repaid in full upon maturity. The borrower may refinance the principal through new drawdowns of the same currency and amount without actual fund transfers between the borrower and the syndicate banks. All outstanding principal and interest must be fully repaid by the end of the credit period.

In accordance with the credit agreement, during the term of the facility, the Company shall submit its annual audited consolidated financial statements and second quarter reviewed consolidated financial statements audited by a certified public accountant both of which must be approved by the facility agent bank. The Company shall maintain the financial ratios as agreed by both parties, including current ratio, net financial debt ratio, and tangible net worth. Failure to meet the above financial ratios does not constitute an event of default; however, from the date of submission of the relevant financial statements, any new drawdown or interest rate reset shall be subject to a monthly improvement fee of 0.05% of the outstanding balance of each facility, payable on each interest payment or repayment date, until the financial ratios are restored to compliance. ESG interest rate discounts shall cease to apply from the date of submission of the relevant financial statements for any new drawdown or interest rate reset.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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(r) Bonds payable

(i) The Company issued the second domestic unsecured convertible corporate bonds on June 13, 2023. The information was as follows:

1) The bonds payable was summarized as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total convertible corporate bonds issued	\$ 4,000,000	4,000,000
Unamortized discounts on bonds payable	<u>(161,584)</u>	<u>(226,577)</u>
Balance of bonds payable as of the reporting date	<b><u>\$ 3,838,416</u></b>	<b><u>3,773,423</u></b>
Embedded derivatives – call options (recorded as financial assets at fair value through profit or loss – current)	<b><u>\$ 3,600</u></b>	<u>-</u>
Embedded derivatives – call options (recorded as financial assets at fair value through profit or loss – non-current)	<b><u>\$ -</u></b>	<u>400</u>
Embedded derivatives – put options (recorded as financial liabilities at fair value through profit or loss – current)	<b><u>\$ 1,600</u></b>	<u>-</u>
Embedded derivatives – put options (recorded as financial liabilities at fair value through profit or loss – non-current)	<b><u>\$ -</u></b>	<u>60,800</u>
Equity component – conversion options (recorded as capital surplus)	<b><u>\$ 347,756</u></b>	<b><u>347,756</u></b>
	<b><u>2025</u></b>	<b><u>2024</u></b>
Embedded derivatives – gains or losses resulting from call and put options at fair value (recorded as gain (losses) on financial assets (liabilities) at fair value through profit or loss)	<b><u>\$ 62,400</u></b>	<b><u>(38,400)</u></b>
Interest expenses	<b><u>\$ (64,993)</u></b>	<b><u>(63,893)</u></b>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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- 2) The Company separated conversion options from liabilities, and recognized as equity and liabilities. The related information was as follows:

The compound interest present value of the convertible bonds' par value at issuance	\$ 3,675,200
The embedded derivative asset at issuance – call option	(6,800)
The embedded derivative liability at issuance – put option	23,600
The equity components at issuance	<u>348,000</u>
Total amount of the convertible bonds at issuance	<u>\$ 4,040,000</u>
Distribution costs	<u>\$ 2,825</u>

The effective interest rate of the second issued convertible bonds was 1.7224%.

The significant terms of the aforementioned convertible bonds were as follows:

- a) Interest rate: 0%
- b) Duration: Five years (June 13, 2023~June 13, 2028)
- c) Redemption at the option of the Company:

Within the period between three months after the issuance date (September 14, 2023) and 40 days before the last convertible date (May 4, 2028), if the closing price of the Company's common stock listed on the Taiwan Stock Exchange exceeds 30% of the conversion price for 30 consecutive business days, or if the remaining amount of the convertible bonds that have not been redeemed, repurchased, resold, or converted, is less than 10% of the total par value, then the Company could redeem the bonds at par value of the corporate bonds in cash within the next 5 business days on the base date.

- d) Repurchase at the option of bondholders:

The bondholders have the right to request the Company to repurchase the bonds at par value with 40 days before three years after the issuance date (May 4, 2026).

- e) Terms of conversion:

- i) The bondholders may request the conversion of the convertible bonds into the Company's common stock at the par value and conversion price at the time of the request, at any time between three months after the issuance date (September 14, 2023) and the maturity date (June 13, 2028), except for the following periods:

- The period in which transfer common stocks is suspended by laws;

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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- The period starts from 15 business days before the book closure date for issuance of the bonus shares, book closure date for cash dividends, book closure date for rights issue, to the record date for distribution of entitlements;
  - The period starts from the base date of capital reduction to the day before the transaction of reissue of shares after the capital reduction;
  - The period starts from the starting date of the suspension of conversion for the change of the stock's par value to the date before the trading date of the reissuance of shares.
- ii) The conversion price: The conversion price was NTD50 per share at issuance. Following the Company's distribution of cash dividends and cash capital increase, the conversion price was adjusted to NTD46.1 per share effective from August 24, 2025.

There were no significant changes on the second unsecured convertible bonds for the year ended December 31, 2025. The bondholders have the right to request the Company to repurchase the bonds at par value with 40 days before three years after the issuance date (May 4, 2026). The Group classified all the above-mentioned convertible corporate bonds as current liabilities starting since the second quarter of 2025. However, it does not mean that all the convertible corporate bonds will be fully settled in the following year.

(s) Lease liabilities

The details of lease liabilities were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Current	<u>\$ 281,128</u>	<u>304,862</u>
Non-current	<u>\$ 465,479</u>	<u>699,066</u>

For the maturity analysis, please refer to note (6)(ab).

The amounts recognized in profit or loss were as follows:

	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	<u>\$ 27,954</u>	<u>29,872</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 49,662</u>	<u>49,487</u>
Expenses relating to short-term leases	<u>\$ 25,988</u>	<u>28,904</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 14,738</u>	<u>16,388</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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The amounts recognized in the statement of cash flows by the Group were as follows:

	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>462,588</u>	<u>459,255</u>

A resolution had been approved during Company's board meeting held on May 7, 2024 for the Group to dispose the entire equity interest of Sumray, resulting in Sumray's lease liabilities and borrowings to be reclassified to liabilities held for sale in the 2rd quarter of 2024. Please refer to note 6(h) and 6(ae) for more details.

(i) Real estate leases

The Group leases land and buildings for its office and operating space. The leases of land run for a period of 5 to 50 years, and 2 to 9 years for the buildings. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of equipment contain extension or cancellation options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases vehicles and machinery equipment with lease terms of 1 to 5 years.

The Group also leases office space, IT equipment and transportation equipment with contract terms of 1 to 5 years. These leases are low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(t) Employee benefits

(i) Defined benefit plans

1) Reconciliation of defined benefit obligation at present value and plan asset at fair value of the Company is as follows:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Present value of defined benefit obligations	\$ (324,765)	(320,233)
Fair value of plan assets	<u>468,569</u>	<u>408,858</u>
Net defined benefit assets (liabilities)	<u>\$ 143,804</u>	<u>88,625</u>

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The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for its employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on the years of service and average salary for the six months prior to retirement.

- 2) Reconciliation of defined benefit obligation at present value and plan asset at fair value of AcBel-PHI is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ (24,593)	(22,120)
Fair value of plan assets	<u>13,524</u>	<u>14,980</u>
Net defined benefit assets (liabilities)	<u>\$ (11,069)</u>	<u>(7,140)</u>

AcBel-PHI makes defined benefit plan contributions to the pension fund account at a local bank in Philippines. The plans entitle a retired employee to receive an annual payment based on years of service and average salary prior to retirement.

- 3) Reconciliation of defined benefit obligation at present value and plan asset at fair value of OmniOn Power and its subsidiaries are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ (253,450)	(204,948)
Fair value of plan assets	<u>48,712</u>	<u>40,111</u>
Net defined benefit assets (liabilities)	<u>\$ (204,738)</u>	<u>(164,837)</u>

OmniOn Power and its subsidiaries make defined benefit plan contributions to the pension fund account, which is administered by the local bank. Employees covered by the defined benefit plan are based on years of service and their salaries prior to retirement.

- 4) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by the local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$468,569 at the end of the reporting period. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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The plan assets of AcBel-PHI is composed of cash, and is managed by a local bank in Philippines. The balance of plan assets amounted to \$13,524 at the end of the reporting period.

The plan assets of OmniOn Power and its subsidiaries are composed of cash, which is managed by a local bank. The balance of plan assets amounted to \$48,712 at the end of the reporting period.

5) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligation at January 1	\$ (547,301)	(607,941)
Benefits paid by the plan	31,790	47,808
Current service costs and interest	(33,738)	(38,438)
Remeasurement in net defined benefit liability (assets)	(45,258)	48,797
Effect of movement in exchange rates	(8,301)	2,473
Defined benefit obligation at December 31	<u>\$ (602,808)</u>	<u>(547,301)</u>

6) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 463,950	414,228
Contributions paid by the employer	56,033	58,398
Benefits paid from the plan assets	(31,790)	(47,808)
Expected return on plan assets	15,288	10,234
Remeasurement in net defined benefit liability (assets)	26,058	32,620
Effect of movement in exchange rates	1,266	(3,722)
Fair value of plan assets at December 31	<u>\$ 530,805</u>	<u>463,950</u>
Actual return on plan assets	<u>\$ 41,346</u>	<u>42,856</u>

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7) Expenses recognized in profit or loss

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

	<u>2025</u>	<u>2024</u>
Current service cost	\$ 14,488	13,591
Net interest of net liabilities (assets) for defined benefit obligations	<u>3,962</u>	<u>14,613</u>
	<u>\$ 18,450</u>	<u>28,204</u>

8) Actuarial assumptions

- a) The principal actuarial assumptions of the Company at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.750 %	2.000 %
Future salary increasing rate	3.000 %	3.000 %

The discount rate was based on the life of the related obligation, and was used as a reference to the return rate on high-quality corporate bonds and bonds issued by the government, which was declared by the Taipei Exchange.

The expected allocation payment made by the Group to the defined benefit plans for the one-year period after the reporting date was \$37,069.

The weighted-average lifetime of the defined benefit plan is 10.99 years.

- b) The principal actuarial assumptions of AcBel-PHI at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	6.39 %	6.13 %
Future salary increasing rate	3.50 %	3.50 %

The weighted-average lifetime of the defined benefit plan is 11.93 years.

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- c) The principal actuarial assumptions of OmniOn Power and its subsidiaries at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	4.29%~9.50%	3.45%~11.00%
Future salary increasing rate	3.00%~8.00%	3.00%~8.00%

The weighted-average lifetime of the defined benefit plan is 2.86 to 15.98 years.

- 9) Sensitivity analysis

- a) If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation of the Company shall be as follows:

	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
As of December 31, 2025		
Discount rate	(5,993)	6,174
Future salary increasing rate	5,949	(5,796)
As of December 31, 2024		
Discount rate	(6,277)	6,488
Future salary increasing rate	6,276	(6,104)

- b) If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation of AcBel-PHI shall be as follows:

	<u>Increased 1%</u>	<u>Decreased 1%</u>
As of December 31, 2025		
Discount rate	(1,617)	1,870
Future salary increasing rate	2,033	(1,784)
As of December 31, 2024		
Discount rate	(1,466)	1,697
Future salary increasing rate	1,840	(1,614)

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- c) If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation of OmniOn Power (Mx) and Lineage (Matamoros) shall be as follows:

	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
As of December 31, 2025		
Discount rate	(3,322)	3,414
Future salary increasing rate	2,580	(2,535)
As of December 31, 2024		
Discount rate	(2,444)	2,512
Future salary increasing rate	1,857	(1,826)

- d) If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation of OmniOn Power (DE) shall be as follows:

	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
As of December 31, 2025		
Discount rate	(2,217)	2,348
Future salary increasing rate	104	(102)
As of December 31, 2024		
Discount rate	(2,435)	2,589
Future salary increasing rate	136	(132)

- e) If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation of OmniOn Power (India) and OmniOn Power (Mumbai) shall be as follows:

	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
As of December 31, 2025		
Discount rate	(156)	161
Future salary increasing rate	137	(133)
As of December 31, 2024		
Discount rate	(153)	159
Future salary increasing rate	157	(152)

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Group recognized the pension costs incurred from the defined contribution to the Bureau of Labor Insurance amounting to \$69,228 and \$69,042 for the years ended December 31, 2025 and 2024, respectively.

(iii) The pension expenses recognized by the other subsidiaries included in the consolidated financial statements for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
The Group	\$ <u>373,577</u>	<u>346,259</u>

(u) Income taxes

(i) The components of income tax (benefit) for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 518,405	481,711
Adjustment for prior periods	<u>40,555</u>	<u>(25,871)</u>
	558,960	455,840
Deferred tax expense		
Recognition and reversal of temporary differences	<u>(413,432)</u>	<u>(257,357)</u>
	<u>(413,432)</u>	<u>(257,357)</u>
Income tax expense	\$ <u>145,528</u>	<u>198,483</u>

The amounts of income tax expenses directly recognized in equity for 2025 were as follows:

	<u>2025</u>
Disposal of equity instrument measured at fair value through other comprehensive income	\$ <u>132,580</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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The amounts of income tax (benefit) recognized in other comprehensive income for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Items that may not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ (6,197)	17,041
Unrealized gains (losses) from financial instrument measured at fair value through other comprehensive income	<u>(3,418)</u>	<u>(28,590)</u>
	<u>\$ (9,615)</u>	<u>(11,549)</u>

Reconciliation of income tax and profit before tax for 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Profit excluding income tax	\$ <u>287,183</u>	<u>162,777</u>
Income tax using local tax rate of each entity	248,130	185,984
Tax credits of investment	(33,660)	(61,210)
Non-deductible expenses	19,830	8,365
Tax-exempt investment income (loss)	(156,035)	37,692
Change in unrecognized temporary differences	40,101	(7,302)
Under (over) provision in prior periods	40,555	(25,871)
5% surtax on unappropriated earnings	1,823	13,924
Basic income tax	-	5,640
Others	<u>(15,216)</u>	<u>41,261</u>
	<u>\$ 145,528</u>	<u>198,483</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2025 and 2024. Also, management considered it probable that the temporary differences will not be reversed in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregate amount of temporary differences		
related to investments in subsidiaries	<u>\$ 2,366,572</u>	<u>2,397,432</u>
Unrecognized deferred tax liabilities	<u>\$ 473,314</u>	<u>479,486</u>

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The carryforward of unused tax losses	<u>\$ 38,638</u>	<u>4,709</u>

According to R.O.C. Income Tax Act, the loss carryforward are the losses incurred in past 10 years assessed by R.O.C. tax authorities which can be deducted from the net profit of current year before income tax is levied.

These items are not recognized as deferred income tax assets due to the fact that the Group may not have sufficient taxable income in the future to utilize these tax losses.

As of December 31, 2025, the tax effects on loss carryforward that have not been used were as follows:

<u>Year of loss</u>	<u>Amount</u>	<u>Expiry date</u>
AcLeap Group :		
2011 (Filed)	\$ 353,005	2031
2018 (Filed)	6,828	2028
2019 (Filed)	90,460	2029
2020 (Filed)	85,792	2030
2022 (Filed)	4,464	2032
2023 (Filed)	22,894	2033
2024 (Filed)	23,545	2034
2025 (Estimated)	<u>259,143</u>	2030 to 2035
	<u>\$ 846,131</u>	

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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3) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	<b>Investment income recognized under the equity method (overseas)</b>	<b>Foreign currency translation adjustment</b>	<b>Defined benefit plans</b>	<b>Others</b>	<b>Total</b>					
Deferred tax liabilities:										
Balance on January 1, 2025	\$ 923,101	23,518	31,316	308,582	1,286,517					
Recognized in (profit) or loss	12,688	-	(4,082)	12,662	21,268					
Recognized in other comprehensive income	-	-	1,842	-	1,842					
Foreign currency translation adjustment	-	-	(9,107)	11,103	1,996					
Balance on December 31, 2025	<u>\$ 935,789</u>	<u>23,518</u>	<u>19,969</u>	<u>332,347</u>	<u>1,311,623</u>					
Balance on January 1, 2024	\$ 895,322	23,518	3,390	395,803	1,318,033					
Recognized in (profit) or loss	27,779	-	(86)	(103,084)	(75,391)					
Recognized in other comprehensive income	-	-	21,308	-	21,308					
Foreign currency translation adjustment	-	-	6,704	15,863	22,567					
Balance on December 31, 2024	<u>\$ 923,101</u>	<u>23,518</u>	<u>31,316</u>	<u>308,582</u>	<u>1,286,517</u>					
	<b>Defined benefit plans</b>	<b>Loss deduction</b>	<b>Tax credit of investment</b>	<b>Accrued product warranty</b>	<b>Refund liabilities</b>	<b>Non-current financial assets at fair value through other comprehensive income</b>	<b>Allowance for Inventory</b>	<b>Royalty</b>	<b>Others</b>	<b>Total</b>
Deferred tax assets:										
Balance on January 1, 2025	\$ 45,623	91,349	133,522	20,044	120,593	129,162	126,220	363,988	387,873	1,418,374
Recognized in profit or (loss)	11,286	63,727	(104,546)	628	(28,938)	-	14,699	226,851	250,993	434,700
Recognized in other comprehensive income	8,039	-	-	-	-	(129,162)	-	-	-	(121,123)
Foreign currency translation adjustment	4,807	(5,699)	(4,171)	-	-	-	(3,723)	(14,099)	(8,806)	(31,691)
Balance on December 31, 2025	<u>\$ 69,755</u>	<u>149,377</u>	<u>24,805</u>	<u>20,672</u>	<u>91,655</u>	<u>-</u>	<u>137,196</u>	<u>576,740</u>	<u>630,060</u>	<u>1,700,260</u>
Balance on January 1, 2024	\$ 41,420	139,812	94,625	17,855	118,758	100,572	119,586	-	501,373	1,134,001
Recognized in profit or (loss)	(15,258)	(39,936)	33,517	2,189	1,835	-	(2,306)	349,313	(147,389)	181,965
Recognized in other comprehensive income	4,267	-	-	-	-	28,590	8,940	-	-	41,797
Foreign currency translation adjustment	15,194	(8,527)	5,380	-	-	-	-	14,675	33,889	60,611
Balance on December 31, 2024	<u>\$ 45,623</u>	<u>91,349</u>	<u>133,522</u>	<u>20,044</u>	<u>120,593</u>	<u>129,162</u>	<u>126,220</u>	<u>363,988</u>	<u>387,873</u>	<u>1,418,374</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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(iii) Assessment of tax

The tax returns for the years through 2023 of the Company, AcGile, AcLeap, AcTek, AcRay, AcTel Power and Sumray were assessed by the Taipei National Tax Administration.

(v) Capital and other equities

As of December 31, 2025 and 2024, the Company's authorized common stock consisting of 1,500,000 thousand shares with a par value of \$10 per share amounted to \$15,000,000, of which 856,029 thousand and 858,737 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for the years ended December 31, 2025 and 2024 were as follows:

	(in thousands of shares)	
	<u>2025</u>	<u>2024</u>
Balance on January 1	858,737	862,119
Cancellation of employee restricted stock	<u>(2,708)</u>	<u>(3,382)</u>
Balance on December 31	<u><u>856,029</u></u>	<u><u>858,737</u></u>

In August 2022, the Company issued 9,670 thousand restricted stocks at zero cost. Due to employees not meeting their vesting requirements, 2,708 thousand and 3,282 thousand shares were cancelled for the years ended December 31, 2025 and 2024, respectively. All the shares have been registered for change.

(i) Capital surplus

The details of capital surplus were as follows:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Additional paid-in capital	\$ 9,582,900	9,754,627
Difference between consideration and carrying amount of subsidiaries	50	50
Changes in equity of associates accounted for using equity method	42,918	42,918
Gain on disposal of assets	1,371	1,371
Employee stock options	64,407	64,407
Expired employee stock options	5,868	5,868
Donation from shareholders	5,628	4,599
Convertible bonds — conversion options	<u>347,756</u>	<u>347,756</u>
	<u><u>\$ 10,050,898</u></u>	<u><u>10,221,596</u></u>

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On March 11, 2026 and March 12, 2025, the Company's Board resolved to distribute cash from capital surplus in the amounts of NT\$684,823 (NT\$0.8 per share) and NT\$171,727 (NT\$0.20003728 per share), respectively. Related information shall be inquired at the Market Observation Post System website.

(ii) Retained Earnings

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. Only if the legal reserves have attained to the paid-in capital could be the exception, besides, special reserves are supposed to set aside or reversed in accordance with the relevant regulations or as required by the government. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company explicitly stipulate in its articles of incorporation to authorize the distributable dividends and bonuses, in whole or in part, which may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Company's industry is currently in a gentle growth phase. To take the capital requirements of the Company and the shareholders into account, the Company's remaining balance is partially distributed as cash dividends to stockholders, and the amount of cash dividends should not be lower than 50% of the total dividends.

1) Legal reserve

If the Company experienced profit for the year, the distribution of the statutory earnings reserve, either by new shares or by cash, shall be decided at the shareholders meeting, and the distribution amount is limited to the portion of legal reserve which exceeds 25 percent of the paid-in capital.

2) Special reserve

In accordance with the Ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholder's equity. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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3) Earnings distribution

Based on the resolutions of the Board of Directors meeting held on March 12, 2025 and 2024, the appropriations of dividends from the distributable retained earnings of 2024 and 2023 were as follow:

	<u>2024</u>		<u>2023</u>	
	<u>Amount per share</u>	<u>Total amount</u>	<u>Amount per share</u>	<u>Total amount</u>
Cash dividends distributed to ordinary shareholders	<u><u>\$0.30005591</u></u>	<u><u>257,591</u></u>	<u><u>0.5</u></u>	<u><u>430,930</u></u>

(iii) Other equity (net taxes)

	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Unearned stock-based employee compensation</u>	<u>Total</u>
Balance on January 1, 2025	\$ 364,444	(259,594)	(27,080)	77,770
Exchange differences on foreign operations	(140,091)	-	-	(140,091)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	91,469	-	91,469
Accumulated gain or loss on disposal of investments in equity instruments designated at fair value through other comprehensive income are transferred to retained earnings	-	167,540	-	167,540
Compensation cost of share-based payment transaction	-	-	27,080	27,080
Balance on December 31, 2025	<u><u>\$ 224,353</u></u>	<u><u>(585)</u></u>	<u><u>-</u></u>	<u><u>223,768</u></u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Unearned stock-based employee compensation</b>	<b>Total</b>
Balance on January 1, 2024	\$ (105,099)	(162,208)	(139,472)	(406,779)
Exchange differences on foreign operations	469,543	-	-	469,543
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(97,386)	-	(97,386)
Compensation cost of share-based payment transaction	-	-	112,392	112,392
Balance on December 31, 2024	<u>\$ 364,444</u>	<u>(259,594)</u>	<u>(27,080)</u>	<u>77,770</u>

(w) Share-based payment

On August 11, 2021, the shareholders decided to issue 10,000 thousand shares as employee stock options to full-time employees who meet certain requirements. The above decision had been approved by the Securities and Futures Bureau of FSC. Thereafter, the Company issued 9,670 thousand restricted stocks based on the resolution approved during the board meeting held on August 2, 2022.

According to the Company's policy, the above employee stock options were issued without consideration, wherein 30%, 30% and 40% of the restricted shares were vested for employees who continued to provide service for at least 1 year, 2 years and 3 years, respectively, from the registration date as well as the effective date, and consequently, met the performance requirements. Thereafter, the restricted shares were kept by a trust, appointed by the Company, before they are vested. These restricted shares shall not be sold, pledged, transferred, gifted, or disposed of by any other means, to third parties during the custody period. The voting rights of these shares are executed by the custodian, and the custodian shall act based on the law and regulations. If the shares remain unvested after the vesting period, the Company will redeem all the unvested shares without consideration and cancel the shares thereafter.

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The details of the restricted stocks of the Company are as follows:

	(in thousands of shares)	
	<u>2025</u>	<u>2024</u>
Outstanding shares on January 1	2,708	6,090
Cancelled during the period	<u>(2,708)</u>	<u>(3,382)</u>
Outstanding shares on December 31	<u><u>-</u></u>	<u><u>2,708</u></u>

The fair value of the abovementioned employee stock options, which was the closing price of the Company at grant date on August 2022, was \$31.35, resulting in the capital surplus of \$206,454. Furthermore, the unearned stock-based employee remunerations of \$0 and \$27,080 were recognized under equity as of December 31, 2025 and 2024, respectively.

The Company reversed the unearned compensation costs of \$111,938 and salary expenses of \$51,450 due to the failure to meet the terms of the employee evaluation for the year ended December 31, 2024.

(x) Earnings per share

The Group's earnings per share was calculated as follows:

	<u>2025</u>	<u>2024</u>
<b>Basic earnings per share</b>		
Profit (Loss) attributable to continuing operations of the Company	\$ 146,838	(49,001)
Profit attributable to discontinued operations of the Company	<u>5,965</u>	<u>18,851</u>
Profit (Loss) attributable to ordinary shareholders of the Company	<u><u>\$ 152,803</u></u>	<u><u>(30,150)</u></u>
Weighted-average number of ordinary shares (in thousands)	<u><u>856,029</u></u>	<u><u>856,029</u></u>
Earnings (Loss) per share – continuing operations	\$ 0.17	(0.06)
Earnings per share – discontinuing operations	<u>0.01</u>	<u>0.02</u>
Basic earnings (loss) per share	<u><u>\$ 0.18</u></u>	<u><u>(0.04)</u></u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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	<u>2025</u>	<u>2024</u>
<b>Diluted earnings per share</b>		
Profit (Loss) attributable to continuing operations of the Company	146,838	(49,001)
Effect of dilutive potential ordinary shares:		
Interest expense and other gains or losses of convertible bonds	<u>2,593</u>	<u>-</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 149,431	(49,001)
Loss attributable to discontinued operations of the Company	<u>5,965</u>	<u>18,851</u>
	<u><b>\$ 155,396</b></u>	<u><b>(30,150)</b></u>
Weighted-average number of ordinary shares (in thousands)	856,029	
Effect of dilutive potential ordinary shares:		
Effect of employee stock remuneration	343	
Effect of convertible bonds conversions	86,768	
Unvested employee restricted shares	<u>764</u>	
Weighted-average number of ordinary shares (diluted) (in thousands)	<u><b>943,904</b></u>	
Earnings per share – continuing operations	\$ 0.15	
Earnings per share – discontinuing operations	<u>0.01</u>	
Diluted earnings per share	<u><b>\$ 0.16</b></u>	

Note: Due to the net loss after tax for the year ended 2024, all potential common shares of the Group were anti-dilutive.

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

For details of products and geographic information, please refer to note (14).

(ii) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes and accounts receivable (including related parties)	\$ 9,720,772	9,181,932	8,511,506
Less: allowance for impairment	<u>(50,419)</u>	<u>(35,764)</u>	<u>(22,278)</u>
Total	<u><b>\$ 9,670,353</b></u>	<u><b>9,146,168</b></u>	<u><b>8,489,228</b></u>
Contract liabilities	<u><b>\$ 1,094,363</b></u>	<u><b>488,308</b></u>	<u><b>411,929</b></u>

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For details on accounts receivable and allowance for impairment, please refer to note (6)(f).

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$461,192 and \$400,801, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(z) Remuneration to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and not less than 2% (in shares or in cash) as employee remuneration, including a minimum of 10% to those base-level employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and a minimum of 2% (in shares or in cash) as employee remuneration, including those employees of the Company's subsidiaries who meet certain requirements.

For the year ended December 31, 2025, the Company estimated its employee remuneration amounting at \$14,494, and directors' remuneration amounting at \$3,106. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses. If remuneration to employees is resolved to be distributed in stock, the number of shares is calculated based on the closing price of the Company's shares, one day before the date of the Board of Directors meeting.

The Company incurred a net loss before tax in 2024; therefore, no employee and director remuneration was accrued.

(aa) Other income and losses

	<u>2025</u>	<u>2024</u>
Gains (losses) on disposal of investments	\$ (20,101)	8,032
Compensation losses	(103,874)	-
Acquisition-related costs	-	(170,222)
Others	<u>25,549</u>	<u>68,041</u>
	<u>\$ (98,426)</u>	<u>(94,149)</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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(ab) Financial Instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration to credit risk

The Group caters to a wide variety of customers; thus, the Group does not concentrate on a specific customer and the sales regions are widely spread. Therefore, the credit risk of accounts receivable is not significantly concentrated. The Group regularly evaluates the financial condition of these clients to reduce the credit risk of accounts receivable. However, the clients generally are not required to provide collaterals.

3) Receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to note (6)(f).

Other financial assets at amortized cost, including cash and cash equivalents, time deposit, and current and non-current other receivables, are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses.

The movements in the allowance for other receivables (including current and non-current) were as follows:

	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 189,976	179,130
Impairment loss recognized (reversal of impairment loss)	(2,569)	10,260
Foreign exchange gains (losses)	<u>(71)</u>	<u>586</u>
Balance on December 31	<u><u>\$ 187,336</u></u>	<u><u>189,976</u></u>

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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
<b>December 31, 2025</b>					
Non-derivative financial liabilities:					
Bank loans	\$ 9,507,185	(9,933,924)	(3,228,195)	(1,109,026)	(5,596,703)
Notes and accounts payable (including related parties)	7,263,095	(7,263,095)	(7,263,095)	-	-
Accrued expenses and other payables	2,611,821	(2,611,821)	(2,611,821)	-	-
Lease liabilities	746,607	(796,243)	(307,597)	(204,249)	(284,397)
Bonds payable	3,838,416	(4,000,000)	(4,000,000)	-	-
Guarantee deposits received	6,666	(6,666)	-	-	(6,666)
Forward exchange contracts used for hedging:					
Outflow	7,433	(473,603)	(473,603)	-	-
Inflow	-	471,254	471,254	-	-
	<u>\$ 23,981,223</u>	<u>(24,614,098)</u>	<u>(17,413,057)</u>	<u>(1,313,275)</u>	<u>(5,887,766)</u>
<b>December 31, 2024</b>					
Non-derivative financial liabilities:					
Bank loans	\$ 8,123,745	(8,422,560)	(5,182,064)	(603,574)	(2,636,922)
Notes and accounts payable (including related parties)	6,190,152	(6,190,152)	(6,190,152)	-	-
Accrued expenses and other payables	2,853,547	(2,853,547)	(2,853,547)	-	-
Lease liabilities	1,003,928	(1,077,369)	(339,307)	(282,845)	(455,217)
Bonds payable	3,773,423	(4,000,000)	-	-	(4,000,000)
Guarantee deposits received	22,901	(22,901)	-	-	(22,901)
Forward exchange contracts used for hedging:					
Outflow	3,040	(98,512)	(98,512)	-	-
Inflow	-	95,074	95,074	-	-
	<u>\$ 21,970,736</u>	<u>(22,569,967)</u>	<u>(14,568,508)</u>	<u>(886,419)</u>	<u>(7,115,040)</u>

The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD to NTD	\$ 142,027	31.4148	4,461,750	182,045	32.8373	5,977,866
USD to CNY	23,508	6.9964	738,499	32,252	7.2993	1,059,068
CNY to NTD	789,421	4.49012	3,544,595	445,832	4.49869	2,005,659
Non-monetary items						
USD to NTD	2,688	31.4148	84,447	2,510	32.8373	82,415
Financial liabilities						
Monetary items						
USD to NTD	132,107	31.4148	4,150,115	113,182	32.8373	3,716,591
USD to CNY	6,444	6.9964	202,437	8,380	7.2993	275,176
CNY to NTD	166,598	4.49012	748,045	237,986	4.49869	1,070,625

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalent, financial assets at fair value through other comprehensive income, notes and accounts receivable (including related parties), other receivables, loans and borrowings, notes and accounts payable (including related parties), accrued expenses and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% each major foreign currency against Group entities' functional currency for the years ended December 31, 2025 and 2024 would have affected the net profit before tax as followings:

	2025	2024
<b>USD (against the NTD)</b>		
Strengthening 5%	\$ 15,582	113,064
Weakening 5%	(15,582)	(113,064)
<b>USD (against the CNY)</b>		
Strengthening 5%	\$ 26,803	39,195
Weakening 5%	(26,803)	(39,195)
<b>CNY (against the NTD)</b>		
Strengthening 5%	\$ 139,828	46,752
Weakening 5%	(139,828)	(46,752)

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(314,909) and \$356,616, respectively.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

4) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	<u>Carrying amount</u>	
	<u>December</u> <u>31, 2025</u>	<u>December</u> <u>31, 2024</u>
Fixed rate instruments:		
Financial assets	\$ <u>7,230,005</u>	<u>4,911,615</u>
Financial liabilities	\$ <u>2,522,013</u>	<u>4,548,512</u>
Variable rate instruments:		
Financial assets	\$ <u>1,251,297</u>	<u>2,619,522</u>
Financial liabilities	\$ <u>6,985,172</u>	<u>3,575,233</u>

The interest rate risk of the Group's financial assets and financial liabilities is described in the liquidity risk management section of this note.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding the liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the net profit before tax for the years ended December 31, 2025 and 2024, respectively, were illustrated below, which would be mainly resulted from the bank savings with variable interest rates and bank loans. Since the interest of time deposits, financial assets at amortized cost, and part of long-term borrowings were fixed, changes in market interest of the aforementioned financial assets will have no effect on the net profit before tax.

	<u>2025</u>	<u>2024</u>
0.25% increase	\$ (14,335)	(2,389)
0.25% decrease	14,335	2,389

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	December 31, 2025				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets — convertible bonds — embedded derivatives	\$ 3,600	-	-	3,600	3,600
Mandatorily measured at fair value through profit or loss — limited partnership	<u>209,099</u>	-	-	209,099	209,099
Subtotal	<u>212,699</u>				
Financial assets for hedging	<u>315</u>	-	315	-	315
Financial assets at fair value through other comprehensive income	<u>85,447</u>	84,447	-	1,000	85,447
Financial assets at amortized cost					
Cash and cash equivalents	6,488,454	-	-	-	-
Time deposits (current and non-current)	2,377,071	-	-	-	-
Notes receivable	44,623	-	-	-	-
Accounts receivable (including related parties)	9,625,730	-	-	-	-
Other receivables	246,456	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	<u>188,811</u>	-	-	-	-
Subtotal	<u>18,971,145</u>				
Total	<u>\$ 19,269,606</u>				
Financial liabilities at fair value through profit or loss					
Convertible bonds — embedded derivatives	\$ <u>1,600</u>	-	-	1,600	1,600
Financial liabilities for hedging	<u>7,433</u>	-	7,433	-	7,433
Financial liabilities at amortized cost					
Bank loans	9,507,185	-	-	-	-
Notes and accounts payable (including related parties)	7,263,095	-	-	-	-
Accrued expenses and other payables	2,611,821	-	-	-	-
Lease liabilities	746,607	-	-	-	-
Bonds payable	3,838,416	-	-	-	-
Guarantee deposits received (recognized as other non-current liabilities)	<u>6,666</u>	-	-	-	-
Subtotal	<u>23,973,790</u>				
Total	<u>\$ 23,982,823</u>				

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	December 31, 2024				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets — convertible bonds — embedded derivatives	\$ 400	-	-	400	400
Derivative financial assets- foreign exchange swap contracts	340	-	340	-	340
Mandatorily measured at fair value through profit or loss — limited partnership	<u>222,187</u>	-	-	222,187	222,187
Subtotal	<u>222,927</u>				
Financial assets at fair value through other comprehensive income	<u>83,415</u>	82,415	-	1,000	83,415
Financial assets at amortized cost					
Cash and cash equivalents	7,045,569	-	-	-	-
Time deposits (current and non-current)	952,916	-	-	-	-
Notes receivable	229,811	-	-	-	-
Accounts receivable (including related parties)	8,916,357	-	-	-	-
Other receivables	149,038	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	<u>174,592</u>	-	-	-	-
Subtotal	<u>17,468,283</u>				
Total	<u>\$ 17,774,625</u>				
Financial liabilities at fair value through profit or loss					
Convertible bonds — embedded derivatives	\$ <u>60,800</u>	-	-	60,800	60,800
Financial liabilities for hedging	<u>3,040</u>	-	3,040	-	3,040
Financial liabilities at amortized cost					
Bank loans	8,123,745	-	-	-	-
Notes and accounts payable (including related parties)	6,190,152	-	-	-	-
Accrued expenses and other payables (restated)	2,853,547	-	-	-	-
Lease liabilities	1,003,928	-	-	-	-
Bonds payable	3,773,423	-	-	-	-
Guarantee deposits received (recognized as other non-current liabilities)	<u>22,901</u>	-	-	-	-
Subtotal	<u>21,967,696</u>				
Total	<u>\$ 22,031,536</u>				

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Valuation technique for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial assets at amortized cost not measured at fair value are as follows:

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation technique for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments trade in active markets are based on quoted market prices.

Measurements of fair value of financial instruments without an active market are based on valuation technique.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method, option pricing models, or Binominal pricing model. Fair value of forward currency exchange is usually determined by using the forward currency rate.

4) Transfers between Level 1 and Level 3

There was no transfer among fair value hierarchy in 2025 and 2024.

5) Reconciliation of Level 3 fair values

	<u>Fair value through profit or loss</u>			<u>Fair value through other comprehensive income</u>
	<u>Investment of limited partnership</u>	<u>Derivative financial assets – convertible bonds</u>	<u>Derivative financial liabilities – convertible bonds</u>	<u>Unquoted equity instruments</u>
Opening balance, January 1, 2025	\$ 222,187	400	(60,800)	1,000
Total gains and losses recognized:				
In profit or loss	20,218	3,200	59,200	-
In other comprehensive income	-	-	-	-
Purchased	22,400	-	-	-
Proceeds from capital reduction of investment	(55,706)	-	-	-
Ending balance, December 31, 2025	<u>\$ 209,099</u>	<u>3,600</u>	<u>(1,600)</u>	<u>1,000</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	Fair value through profit or loss			Fair value through other comprehensive income
	Investment of limited partnership	Derivative financial assets – convertible bonds	Derivative financial liabilities – convertible bonds	Unquoted equity instruments
Opening balance, January 1, 2024	\$ 224,593	6,000	(28,000)	1,000
Total gains and losses recognized:				
In profit or loss	20,882	(5,600)	(32,800)	-
In other comprehensive income	-	-	-	-
Proceeds from capital reduction of investment	(23,288)	-	-	-
Ending balance, December 31, 2024	<u>\$ 222,187</u>	<u>400</u>	<u>(60,800)</u>	<u>1,000</u>

- 6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments", "fair value through profit or loss – limited partnership", "financial assets at fair value through profit or loss – call option of convertible bonds" and "financial liabilities – put option of convertible bonds".

Most of fair value measurements categorized within Level 3 use the single and significant unobservable inputs. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity instruments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – investment of limited partnership	Net asset value method	Net asset value	The higher the net asset is, the higher the fair value will be.
Financial assets and liabilities at fair value through profit or loss – call and put options of convertible bonds	Binomial convertible bonds pricing models	Volatility (44.34%, and 32.76% on December 31, 2025 and 2024, respectively)	The higher the volatility is, the higher the fair value will be.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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- 7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Input</u>	<u>Move up or down</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
<b>December 31, 2025</b>				
Financial assets and liabilities at fair value through profit or loss – call and put options of convertible bonds	Volatility	5 %	1,600	(1,200)
<b>December 31, 2024</b>				
Financial assets and liabilities at fair value through profit or loss – call and put options of convertible bonds	Volatility	5 %	8,400	(12,000)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(ac) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments :

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Structure of risk management

The Group's finance department provide business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative and non-derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The audit committee and internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group's policy and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The finance department reports to the Board of Directors and the audit committee periodically.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

1) Accounting receivable and other receivables

The Group's finance department has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's credit limits are offered. Credit limits are established for each customer, which represent the maximum open amount without requiring approval from the finance department, and are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group's customers are mainly from the high-tech industry. In order to mitigate account receivable credit risk, the Group constantly assesses the financial status of the customers, and requests the customers to provide guarantee or security if necessary. The Group regularly accesses the collectability of accounts receivable and recognizes allowance for accounts receivable. The impairment losses are always within management's expectation.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including customer profile, operating and financial status, payment records and the degree of cooperation. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the finance department more strictly, and the transactions are made on a more cautious way.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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The Group set the allowance for bad debt account to reflect the estimated losses for trade and other receivables. The allowance for bad debt account consists of specific losses relating to individually significant exposure and the unrecognized losses arising from similar assets groups. The allowance for bad debt account is based on historical collection record of similar financial assets.

2) Investments

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Group's finance department. Since the Group's transaction counterparties and contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore no significant credit risk.

3) Guarantees

Please refer to note (13)(a) for the financial guarantees as of December 31, 2025.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

The loans and borrowings from the bank and issued corporate bonds form an important source of liquidity for the Group. Please refer to note (6)(n) and note (6)(q) for unused short-term and long-term credit lines as of December 31, 2025 and 2024.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollars (NTD) and US Dollars (USD), Chinese Yuan (CNY). The currencies used in these transactions are denominated in NTD, USD, and CNY.

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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At any point in time, the Group hedges specific percentage of its estimated foreign currency exposure with respect to its forecast sales and purchases over the following six months. The Group also hedges trade receivables and trade payables denominated in a foreign currency. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Most of these contracts have a maturity of less than one year from the reporting date. The forward elements of forward exchange contracts are excluded from designation as the hedging instrument and are separately accounted for as a cost of hedging. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. Therefore, the Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

3) Other price risk

The Group is exposed to equity price risk arising from investments in foreign listed equity securities.

(ad) Capital management

The Group maintains the capital based on the current operating characteristics of the industry, future development, and changes in external environment, to assure there is financial resource and operating plan to support working capital, capital expenditures, research & development expense, debt redemption and dividend payment and so on. The management decides the optimized capital by using appropriate debt-to-equity ratio, interest-bearing liabilities-to-equity ratio or other financial ratios. To maintain a strong capital base, the Group enhances the return on equity by optimizing debt-to-equity ratio. The Group's debt-to-equity ratio at the end of the reporting date was as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total liabilities	\$ 28,460,566	28,629,894
Total equity	22,904,903	23,391,371
Interest-bearing liabilities	9,507,185	8,123,745
Debt-to-equity ratio	124 %	122 %
Interest-bearing liabilities to equity ratio	42 %	35 %

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ae) Investing and financing activities not affecting current cash flow

(i) The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024: the acquisition of right of use assets under lease, please refer to note (6)(l).

(ii) Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes			December 31, 2025
			Acquisition	Foreign exchange movement	Other	
Long-term borrowings (including current portion)	\$ 3,575,233	3,421,705	-	(11,766)	-	6,985,172
Short-term borrowings	4,548,512	(2,017,745)	-	(8,754)	-	2,522,013
Lease liabilities	1,003,928	(344,246)	92,988	(6,063)	-	746,607
Bonds payable	3,773,423	-	-	-	64,993	3,838,416
Guarantee deposits received	22,901	(16,235)	-	-	-	6,666
Total liabilities from financing activities	<u>\$ 12,923,997</u>	<u>1,043,479</u>	<u>92,988</u>	<u>(26,583)</u>	<u>64,993</u>	<u>14,098,874</u>

	January 1, 2024	Cash flows	Non-cash changes			December 31, 2024
			Acquisition	Foreign exchange movement	Reclassification to liabilities held-for-sale	
Long-term borrowings (including current portion)	\$ 4,258,554	1,346,056	-	47,203	(2,076,580)	3,575,233
Short-term borrowings	4,112,120	627,632	-	(18,400)	(172,840)	4,548,512
Lease liabilities	1,033,867	(334,604)	344,669	(6,581)	(33,423)	1,003,928
Bonds payable	3,709,530	-	-	-	63,893	3,773,423
Guarantee deposits received	320,132	320,725	-	-	(617,956)	22,901
Total liabilities from financing activities	<u>\$ 13,434,203</u>	<u>1,959,809</u>	<u>344,669</u>	<u>22,222</u>	<u>(2,900,799)</u>	<u>12,923,997</u>

**(7) Related-party transactions**

(a) Names and relationship with the Group

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

Names and relationship with related parties	Relationship with the Group
Cal-Comp Electronics (Thailand) Public Company Ltd. (Cal-Comp (Thailand))	Other related parties
Kinpo Electronics (Philippines), Inc.	Other related parties
Arcadyan Technology Corporation	Other related parties
Compal Information Technology (Kunshan) Co., Ltd. (Compal Information Technology)	Other related parties
Compal Information (Kunshan) Co., Ltd. (Compal Information)	Other related parties

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
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<b>Names and relationship with related parties</b>	<b>Relationship with the Group</b>
Compal Electronics Technology (Kunshan) Co., Ltd.	Other related parties
Compal Electronics (Chengdu) Co., Ltd. (Compal Chengdu)	Other related parties
Compal Electronics (Chongqing) Co. Ltd.	Other related parties
Compal Electronics, Inc.	Other related parties
Compal (Vietnam) Co., Ltd.	Other related parties
Kunshan Botai Electronics Co., Ltd.	Other related parties
Kinpo Electronics, Inc.	The entity with significant influence over the Group
Rayonnant Technology Taicang Co., Ltd.	Other related parties
Cal-Comp Optical Electronics (Yue Yang) Ltd.	Other related parties
Cal-Comp Precision (Philippines) Ltd.	Other related parties
Compal SMART Device (Chongqing) Co., Ltd	Other related parties
Kinpo & Compal Group Assets Development Corporation (Kinpo & Compal Group)	Associates
KangYang New Energy Co., Ltd.	Other related parties
AcSacca Solar Energy Co., Ltd.	Other related parties
AcSun Energy Inc.	Associates

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales and service revenue by the Group to related parties were as follows:

	<u>2025</u>	<u>2024</u>
Other related parties — sales revenue	<u>\$ 1,188,300</u>	<u>1,540,271</u>

There were no significant differences in the collection periods between the related parties and other customers. The selling price was the agreed price between the Company and each related parties.

(ii) Purchases

The amounts of purchases by the Group from related parties were as follows:

	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 18,434</u>	<u>100,272</u>

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**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Service income

The Group's management services and maintenance service income were recognized as the deduction of operating costs as follows:

	<u>2025</u>	<u>2024</u>
Other related parties	\$ <u>57,388</u>	<u>55,981</u>

The Group provides management consulting and maintenance services of other related parties engaged in renewable energy power generation business, and pays service fees according to the service items. As of December 31, 2025 and 2024, labor services have been provided but have not yet been completed and the balance of other receivables received but have not yet been recognized as revenue are as follows:

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ <u>9,218</u>	<u>12,376</u>

(iv) Receivables from related parties

The receivables due from related parties were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	Other related parties	\$ <u>444,238</u>	<u>701,577</u>

(v) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable	Other related parties	\$ <u>22,857</u>	<u>29,621</u>
Other payables	Other related parties	\$ <u>126</u>	<u>126</u>

(vi) Property transactions

- 1) In 2025, the Group participated in its associate's capital increase through cash injection, with the amount of \$1,200,000, which was accounted for using equity method.
- 2) For the year ended December 31, 2023, the Group purchased equipment amounting to \$35,653, from an entity (which has significant influence on the Group) and other related parties. As of December 31, 2024, the related payables of \$2,482, were recognized as "other payables". All amounts were fully settled in 2025.
- 3) On March 12, 2024, the Board of Directors resolved to sell 15% equity in AcSacca to associates. The disposal prices was \$180,846, which has been received and the registration of the equity transfer has been completed, and the gain on disposal was \$8,032. Please refer to note 6(i).

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- 4) For the year ended December 31, 2024, the Group acquired right-of-use assets amounting to \$6,228, from an entity that has significant influence over the Group.

- (c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 94,200	105,375
Post-employment benefits	1,385	1,497
Share-based payments	-	(12,033)
	<u>\$ 95,585</u>	<u>94,839</u>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Pledged to secure</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee deposits paid (recognized as other non-current assets)	Customs deposits, performance guarantees, and security deposits for leased plants, etc.	\$ 110,077	100,704
Property, plant and equipment	Long-term borrowings	<u>1,270,272</u>	<u>1,340,843</u>
		<u>\$ 1,380,349</u>	<u>1,441,547</u>

**(9) Commitments and contingencies:**

- (a) Significant commitments unrecognized:

- (i) As of December 31, 2025 and 2024, the balances of the unpaid contract price on purchases of machinery and equipment, as well as other related contracts such as decoration projects from domestic and overseas suppliers which were not yet due and payable amounted to \$223,951 and \$180,048, respectively.
- (ii) As of December 31, 2025 and 2024, the balances of the unpaid contract price for energy construction which were not yet due and payable amounted to \$59,260 and \$515,169, (of which, the amount of \$324,176 was recognized as disposal group held-for-sale) respectively.
- (iii) As of December 31, 2025 and 2024, the Group has requested banks to issue guarantees for performance obligations, and has outstanding unused letters of credit issued, amounting to \$287,031 and \$360,550, respectively.

- (b) Please refer to note (13)(a) for the guarantee and endorsements to related parties of the Group.

**(10) Losses due to major disasters: None**

**(11) Subsequent events: none**

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(12) Other:**

- (a) A summary of current period employee benefits, depreciation and amortization by function, is as follows:

By function By item	2025			2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	1,886,035	3,686,488	5,572,523	1,917,063	3,349,191	5,266,254
Labor and health insurance	179,243	352,732	531,975	142,598	342,695	485,293
Pension	215,709	245,546	461,255	226,252	239,134	465,386
Remuneration of directors	-	29,396	29,396	-	29,735	29,735
Others	203,089	142,469	345,558	268,285	175,220	443,505
Depreciation (Note)	872,944	434,496	1,307,440	852,307	428,067	1,280,374
Amortization	6,326	378,031	384,357	4,698	381,739	386,437

Note: For the years ended December 31, 2025 and 2024, the depreciation on right-of-use assets during construction period had been capitalized at \$197 and \$1,392, respectively.

- (b) Discontinued operation:

On May 7, 2024, the Board of Directors resolved to sell 100% equity of Sumray, the transaction was completed in the first quarter of 2025.

The operating result and cash flows of the discontinued operation:

	<u>2025</u>	<u>2024</u>
The operating result of discontinuing operation:		
Operating income	\$ 28,488	79,100
Operating costs	<u>(17,548)</u>	<u>(44,184)</u>
Gross income (loss)	10,940	34,916
Operating expenses	<u>(124)</u>	<u>(3,894)</u>
Net operating income (loss)	10,816	31,022
Non-operating income and expenses		
Other income and expenses	-	-
Interest expense	(3,523)	(9,794)
Interest revenue	<u>163</u>	<u>2,335</u>
	7,456	23,563
Income tax	<u>(1,491)</u>	<u>(4,712)</u>
Net income	<u>\$ 5,965</u>	<u>18,851</u>

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>2025</b>	<b>2024</b>
The cash flows of the discontinuing operation:		
Cash flow from operating activities	\$ 75,999	29,037
Cash flow from investing activities	(90,104)	(2,176,617)
Cash flow from financing activities	(4,265)	1,948,214
Net cash flow	<b>\$ (18,370)</b>	<b>(199,366)</b>

- (c) Since 2018, the Group has been entering into several Energy Power Purchase Agreements with Taiwan Power Company, with each contract having a validity period of 20 years. The ending periods of the contracts are from 2038 to 2044. The rate is based on the announcement made by the Central Authority depending on the type of renewable energy, with the power purchasing tariff or discount rate agreed by both parties.

**(13) Other disclosures:**

- (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2025:

- (i) Loans to other parties: Please refer to table 1.
  - (ii) Guarantees and endorsements for other parties: Please refer to table 2.
  - (iii) Significant securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to table 3.
  - (iv) Related party transactions for purchases and sale with amount exceeding the lower of NTD100 million or 20% of the capital stock: Please refer to table 4.
  - (v) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: Please refer to table 5.
  - (vi) Business relationships and significant intercompany transactions: Please refer to table 6.
- (b) Information on investees: Please refer to table 7.
- (c) Information on investment in mainland China: Please refer to table 8.

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment information:**

(a) General Information

The segmentation of the Group is based on different products and services. The Group's reportable segment is the power supplies segment. The power supplies segment engages in sale and research and development of power supplies products. Other operating segments mainly engaged in the manufacturing and the sale of metal parts and warranty service, and did not meet any of the quantitative thresholds for reportable segments in the years ended December 31, 2025 and 2024.

(b) Information about reportable segments and their measurement

The accounting policies of the operating departments are identical to the summary of the significant accounting policies described in note (4). The profit and loss of the operating department of the Group is measured by pre-tax profit and loss and used as the basis for evaluating performance. The amount reported by the department of the Group is consistent with the report used by the operating decision maker.

The Group's operating segment information was as follows:

	<b>2025</b>			
	<b>Power Supplies Segment</b>	<b>Metal parts &amp; Others</b>	<b>Adjustment &amp; Elimination</b>	<b>Total</b>
<b>Revenue</b>				
Revenue from external customers	\$ 30,465,395	1,261,366	-	31,726,761
Revenue from segments	-	86,743	(86,743)	-
Total revenue	<u>\$ 30,465,395</u>	<u>1,348,109</u>	<u>(86,743)</u>	<u>31,726,761</u>
Reportable segment profit	<u>\$ 303,066</u>	<u>(15,883)</u>	<u>-</u>	<u>287,183</u>
	<b>2024</b>			
	<b>Power Supplies Segment</b>	<b>Metal parts &amp; Others</b>	<b>Adjustment &amp; Elimination</b>	<b>Total</b>
<b>Revenue</b>				
Revenue from external customers	\$ 30,344,546	1,350,552	-	31,695,098
Revenue from segments	3,376	93,917	(97,293)	-
Total revenue	<u>\$ 30,347,922</u>	<u>1,444,469</u>	<u>(97,293)</u>	<u>31,695,098</u>
Reportable segment profit	<u>\$ 121,597</u>	<u>41,180</u>	<u>-</u>	<u>162,777</u>

(Continued)

**ACBEL POLYTECH INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (c) Product and service information

<u>Products</u>	<u>2025</u>	<u>2024</u>
Power supplies and components	\$ 29,798,704	29,281,984
Metal parts & others	<u>1,928,057</u>	<u>2,413,114</u>
	<u><b>\$ 31,726,761</b></u>	<u><b>31,695,098</b></u>

## (d) Geographic information

The Group's sales presented by customer location and non-current assets presented by location, the geographic information were as follows:

## (i) Revenue from external customers:

<u>Country</u>	<u>2025</u>	<u>2024</u>
Mainland China	\$ 6,000,361	7,559,190
United States	16,265,476	13,495,936
Taiwan	4,100,523	4,524,062
Others	<u>5,360,401</u>	<u>6,115,910</u>
	<u><b>\$ 31,726,761</b></u>	<u><b>31,695,098</b></u>

## (ii) Non-current Assets:

<u>Country</u>	<u>2025</u>	<u>2024</u>
Mainland China	\$ 1,681,439	1,968,867
Taiwan	12,343,900	15,138,992
United States	772,156	778,114
Others	<u>3,510,921</u>	<u>1,312,948</u>
	<u><b>\$ 18,308,416</b></u>	<u><b>19,198,921</b></u>

Non-current assets include property, plant and equipment, right-of-use assets and other assets, excluding financial instruments, deferred tax assets and defined benefit plan assets.

## (e) Sales from external customers exceeded 10% of the total revenue in the consolidated statements of comprehensive income as follows:

<u>Country</u>	<u>2025</u>	<u>2024</u>
B Company	<u><b>\$ 1,800,187</b></u>	<u><b>3,114,643</b></u>

# ACBEL POLYTECH INC.

## Notes to the Financial Statements

Table 1 Loans to other parties  
December 31, 2025

Unit: thousand dollars

No. (note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (note 9)	Actual usage amount during the period (note 9)	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 2, 3, 4, 5, 6, 7, and 8)	Maximum limit of fund financing (note 2, 3, 4, 5, 6, 7, and 8)
													Item	Value		
0	The Company	AcBel-PHI	Other receivables related parties	Yes	265,878 (USD 8,000 thousand)	-	-	-	Short-term financing	-	Business turnover	-	-	-	9,042,412	9,042,412
0	The Company	AcTek	Other receivables related parties	Yes	100,000	-	-	-	Short-term financing	-	Business turnover	-	-	-	9,042,412	9,042,412
0	The Company	AcTel	Other receivables related parties	Yes	50,000	50,000	50,000	2.32159%	Short-term financing	-	Business turnover	-	-	-	9,042,412	9,042,412
0	The Company	AcTek	Other receivables related parties	Yes	150,000	150,000	20,000	2.11334%	Short-term financing	-	Business turnover	-	-	-	9,042,412	9,042,412
0	The Company	AcBel-PHI	Other receivables related parties	Yes	239,472 (USD 8,000 thousand)	-	-	-	Short-term financing	-	Business turnover	-	-	-	9,042,412	9,042,412
1	SINO	Kanghua-Chongqing	Other receivables	Yes	68,636 (RMB 15,000 thousand)	67,352 (RMB 15,000 thousand)	53,882 (RMB 12,000 thousand)	3.5%	Short-term financing	-	Business turnover	-	-	-	1,357,100	1,357,100
1	SINO	SINO-Tongliang	Other receivables	Yes	228,786 (RMB 50,000 thousand)	224,506 (RMB 50,000 thousand)	44,901 (RMB 10,000 thousand)	3.1%	Short-term financing	-	Business turnover	-	-	-	1,357,100	1,357,100
2	OmniOn Power (Shanghai)	OmniOn Power (China)	Other receivables	Yes	457,572 (RMB 100,000 thousand)	449,012 (RMB 100,000 thousand)	202,375 (RMB 45,071 thousand)	2.83%	Short-term financing	-	Business turnover	-	-	-	1,834,028	1,834,028
3	OmniOn Power (DE)	OmniOn Power (US)	Other receivables	Yes	166,174 (USD 5,000 thousand)	157,074 (USD 5,000 thousand)	-	5.8%	Short-term financing	-	Business turnover	-	-	-	300,189	300,189
3	OmniOn Power (DE)	OmniOn Power (EU)	Other receivables	Yes	31,482 (USD 1,000 thousand)	31,415 (USD 1,000 thousand)	12,566 (USD 400 thousand)	4.25%	Short-term financing	-	Business turnover	-	-	-	300,189	300,189
4	AcLeap	OmniOn Power (CH)	Other receivables	Yes	3,500,000	2,000,000	-	4.25%	Business dealings	4,500,000	-	-	-	-	4,126,989	4,126,989
5	OmniOn Power (US)	AcLeap	Other receivables	Yes	4,500,000	-	-	-	Short-term financing	-	Business turnover	-	-	-	6,495,779	6,495,779
5	OmniOn Power (US)	OmniOn Power (CH)	Other receivables	Yes	2,203,705 (USD 70,000 thousand)	2,199,036 (USD 70,000 thousand)	2,003,163 (USD 63,765 thousand)	4.25%	Short-term financing	-	Business turnover	-	-	-	6,495,779	6,495,779
6	OmniOn Power (Mumbai)	OmniOn Power (India)	Other receivables	Yes	61,890 (INR 176,000 thousand)	61,538 (INR 176,000 thousand)	6,993 (INR 20,000 thousand)	8.91%	Short-term financing	-	Business turnover	-	-	-	56,046	56,046

Note 1 : The company is coded as "0", and subsidiaries are sorted in a numerical order starting from "1".

Note 2 : According to AcBel Polytech Inc.'s "procedures of lending funds to other parties", the total amounts of lending funds to other parties subject to the limitation of 40% of the Company's net worth; the individual amounts of lending cannot exceed 40% of the Company's net worth if the Board of Directors deems it necessary for short-term financing.

Note 3 : According to SINO's "procedures of lending funds to other parties", for subsidiaries or companies whose 100% of the voting shares directly or indirectly owned by the Company, the total and individual amounts of lending does not subject to the limitation of 40% of the company's net worth but cannot exceed 100% of the Company's net worth.

Note 4 : According to OmniOn Power (Shanghai)'s "procedures of lending funds to other parties", for foreign subsidiaries or companies whose 100% of the voting shares directly or indirectly owned by the Company, the total and individual amounts of lending does not subject to the limitation of 40% of the company's net worth but cannot exceed 100% of the Company's net worth.

Note 5 : According to OmniOn Power (DE)'s "procedures of lending funds to other parties", for foreign subsidiaries or companies whose 100% of the voting shares directly or indirectly owned by the Company, the total and individual amounts of lending does not subject to the limitation of 40% of the company's net worth but cannot exceed 100% of the Company's net worth.

Note 6 : According to OmniOn Power (US)'s "procedures of lending funds to other parties", for foreign subsidiaries or companies whose 100% of the voting shares directly or indirectly owned by the Company, the total and individual amounts of lending does not subject to the limitation of 40% of the company's net worth but cannot exceed 100% of the Company's net worth.

Note 7 : According to AcLeap Power Inc.'s "procedures of lending funds to other parties"

1. Aggregate lending limit to all borrowers: The total amount of loans to other parties shall not exceed 40% of the Company's net worth.

2. Aggregate lending limit to individual borrowers:

(1) For borrowers having business transactions with the Company, the total amount of loans shall not exceed the higher of 30% of the annual transaction amount between the borrower and the Company in the most recent fiscal year, or 120% of the transaction amount in the most recent three months. In either case, the total amount shall not exceed 40% of the Company's net worth.

(2) For borrowers deemed by the Board of Directors to have a short-term financing need, the total amount of loans shall not exceed 40% of the Company's net worth.

Note 8 : According to OmniOn Power (Mumbai)'s "procedures of lending funds to other parties", for foreign subsidiaries or companies whose 100% of the voting shares directly or indirectly owned by the Company, the total and individual amounts of lending does not subject to the limitation of 40% of the company's net worth but cannot exceed 100% of the Company's net worth.

Note 9 : The accordance of the exchange rate is based on the end of the reporting date.

Note 10 : The above transactions have been eliminated in the consolidated financial statement.

# ACBEL POLYTECH INC.

## Notes to the Financial Statements

Table 2 Guarantees and endorsements for other parties  
December 31, 2025

Unit: thousand dollars

No. (note 1)	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 2, 3, and 4)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (note 6)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary (note 5)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company (note 5)	Endorsements/ guarantees to third parties on behalf of companies in Mainland China (note 5)
		Name	Relationship with the Company										
0	The Company	AcBel-PHI	note 8	22,606,031	498,522 (USD 15,000 thousand)	471,222 (USD 15,000 thousand)	155,226 (USD 4,941 thousand)	-	2.08%	22,606,031	Y	N	N
0	"	Kinpo & Compal Group	note 9	22,606,031	6,600,000	6,600,000	1,716,413	-	29.20%	22,606,031	N	N	N
0	"	AcTel Power	note 8	22,606,031	126,000	126,000	5,102	-	0.56%	22,606,031	Y	N	N
1	OmniOn Power	OmniOn Power (US)	"	7,739,416	13,294 (USD 400 thousand)	12,566 (USD 400 thousand)	12,566 (USD 400 thousand)	-	0.16%	7,739,416	N	N	N
2	OmniOn Overseas	OmniOn Power (US)	"	1,224,848	13,294 (USD 400 thousand)	12,566 (USD 400 thousand)	12,566 (USD 400 thousand)	-	1.03%	1,224,848	N	N	N

Note 1 : The company is coded as "0", and subsidiaries are sorted in a numerical order starting from "1".

Note 2 : The total amount of the guarantee provided by the Company to any individual entity shall not exceed 100% of the Company's net worth. However, subsidiaries whose voting shares are 50% owned, directly or indirectly, by the Company shall not exceed 100% of the Company's net worth.

Note 3 : Endorsement Guarantee Limit: The total amount of the guarantee provided by the OmniOn Power and OmniOn Power's subsidiary to any individual entity shall not exceed 100% of the OmniOn Power's net worth.

Endorsement Guarantee Limit for a Single Enterprise: The endorsement guarantee for a company in which OmniOn Power directly or indirectly holds 50% of the shares shall not exceed 100% of OmniOn Power's net worth in its most recent financial statements.

Note 4 : Endorsement Guarantee Limit: The total amount of the guarantee provided by the OmniOn Overseas and OmniOn Overseas's subsidiary to any individual entity shall not exceed 100% of the OmniOn Overseas's net worth.

Endorsement Guarantee Limit for a Single Enterprise: The endorsement guarantee for a company in which OmniOn Overseas directly or indirectly holds 50% of the shares shall not exceed 100% of OmniOn Overseas's net worth in its most recent financial statements.

Note 5 : For those listed company as the guarantor to the subsidiary, subsidiary as the guarantor to the company, or the guarantor that located in China, please fill in "Y".

Note 6 : The accordance of the exchange rate is based on the end of the reporting date.

Note 7 : Name of guarantor mentioned above are the main principal for the preparation of the consolidated financial report.

Note 8 : Companies with over 50% of voting shares directly or indirectly held by the parent company.

Note 9 : Companies in which all contributing shareholders, due to joint investment arrangements, provide guarantees in proportion to their respective ownership interests.

**ACBEL POLYTECH INC.**  
**Notes to the Financial Statements**

Table 3 Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):  
 December 31, 2025

Unit: thousand dollars/ thousand units

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Holding percentage (%)	Fair value	
The Company	Limited partnership : Zoyi Capital Fund II	None	Non-current financial assets at fair value through profit or loss	-	209,099	-	209,099	Note 1

Note 1 : Zoyi Capital Fund II is a limited partnership with no trading volume and unit price.

**ACBEL POLYTECH INC.**  
**Notes to the Financial Statements**

Table 4 Related party transactions for purchases and sale with amount exceeding the lower of NT\$100 million or 20% of the capital stock:

December 31, 2025

Unit: thousand dollars

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchase/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/ accounts receivable (payable)	
The Company	AcBel-PHI	A grandson company	Purchases	1,940,096	19.24%	Depending on the demand for funding of API-PHI	According to cost-plus pricing	Payables depending on demand for funding, it will be changed to 90 days prepayment from June 30, 2023	Note 1	- %	Note 2
"	API-PRC	"	Outsourced processing fee	994,630	9.86%	Depending on the demand for funding of API-PRC	According to the need of operating cost	Payables depending on demand for funding after offsetting debts per month	(870,958)	(22.54%)	"
"	API-WUHAN	"	"	271,010	2.69%	Depending on the demand for funding of API-WUHAN	"	"	-	- %	"
"	Cal-Comp (Thailand)	Other related party	Sales	136,135	0.92%	OA90	Similar to general customers	Similar to general customers	47,348	1.23%	"
AcBel-PHI	The Company	Parent Company	"	(1,940,096)	(94.59%)	Depending on the demand for funding of AcBel-PHI	According to cost-plus pricing	Payables depending on demand for funding after offsetting	Note 1	(9.67%)	Note 2
API-PRC	"	"	Outsourced processing revenue	(994,630)	(25.03%)	Depending on the demand for funding of API-PRC	According to the need of operating cost	"	870,958	39.59%	"
API-WUHAN	"	"	"	(271,010)	(8.08%)	Depending on the demand for funding of API-WH	"	According to the need of operating cost	-	- %	"
SINO	Compal Information (KunShan)	Other related party	Sales	(268,171)	(29.15%)	OA120	Similar to general customers	OA120	119,077	21.34%	-
"	Compal Vietnam	"	"	(182,866)	(19.88%)	"	"	"	74,173	13.29%	-
OmniOn Power (Shanghai)	OmniOn Power (SG)	Ultimately same as the parent company	"	(163,761)	(6.75%)	OA60	"	OA60	9,882	0.76%	Note 2
OmniOn Power (US)	OmniOn Power (DE)	"	"	(370,960)	(2.72%)	"	"	"	1,645	0.03%	"
"	OmniOn Power (SG)	"	"	(591,849)	(4.34%)	"	"	"	31,226	0.83%	"
OmniOn Power (Shanghai)	OmniOn Power (China)	"	"	(145,509)	(5.99%)	"	"	"	49,163	3.79%	"
OmniOn Power (Matamoros)	OmniOn Power (US)	"	"	(695,978)	(99.75%)	"	"	"	461,606	100.00%	"
OmniOn Power (Mumbai)	"	Parent Company	"	(101,551)	(98.30%)	"	"	"	16,753	70.41%	"
OmniOn Power (Shanghai)	"	"	"	(2,021,778)	(83.28%)	"	"	"	1,165,100	89.74%	"
OmniOn Power (DE)	OmniOn Power (US)	Ultimately same as the parent company	Purchases	370,960	97.72%	"	"	"	(1,645)	(7.01%)	"
OmniOn Power (SG)	"	"	"	591,849	78.31%	"	"	"	(31,226)	(34.42%)	"
"	OmniOn Power (Shanghai)	"	"	163,761	21.67%	"	"	"	(9,882)	(10.89%)	"
OmniOn Power (US)	OmniOn Power (Matamoros)	"	"	695,978	7.59%	"	"	"	(461,606)	(7.41%)	"
"	OmniOn Power (Mumbai)	"	"	101,551	1.11%	"	"	"	(16,753)	(0.27%)	"
"	OmniOn Power (Shanghai)	subsidiary	"	2,021,778	22.06%	"	"	"	(1,165,100)	(18.69%)	"
OmniOn Power (China)	"	Ultimately same as the parent company	"	145,509	94.08%	"	"	"	(49,163)	(55.40%)	"

Note 1 : The prepayment for purchases was \$62,605 as of December 31, 2025.

Note 2 : The transactions have been eliminated in the consolidated financial statement.

**ACBEL POLYTECH INC.**  
**Notes to the Financial Statements**

Table 5 Receivable from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:  
December 31, 2025

Unit: thousand dollars

Name of company	Counter-party	Nature of relationship	Ending Balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
API-PRC	The Company	Parent company	870,958 (Note 2)	0.96	-	-	589,940	-	Note 4
"	AcBel-BVI	The parent company of AcBel-SGP	917,473 (Note 2)	-	-	-	-	-	"
The Company	API-WUHAN	Subsidiary	370,735 (Note 3)	(Note 3)	-	-	370,735	-	"
SINO	Compal Information (KunShan)	Other related party	119,077	1.61	-	-	23,125	-	-
OmniOn Power (US)	OmniOn Power (CH)	Ultimately same as the parent company	2,227,855	0.19	-	-	-	-	Note 4
OmniOn Power (CH)	OmniOn Power (US)	"	2,181,066	0.00	-	-	-	-	"
OmniOn Power (Matamoros)	"	"	461,606	1.88	-	-	-	-	"
OmniOn Power (Shanghai)	"	"	1,165,100	2.32	-	-	530,744	-	"
OmniOn Power (China)	"	"	287,001	0.00	-	-	2,183	-	"

Note 1 : Information as of February 25, 2026.

Note 2 : The ending balance of accounts receivables from outsourced processing revenue.

Note 3 : The amount was the ending balance of other receivables derived from purchasing raw materials on behalf of related parties.

Note 4 : The transactions have been eliminated in the consolidated financial statement.

**ACBEL POLYTECH INC.**  
**Notes to the Financial Statements**

Table 6 Business relationships and significant intercompany transactions  
December 31, 2025

Unit: thousand dollars

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Terms	
1	AcBel-PHI	The Company	2	Sales Revenue	1,940,096	The price is marked up based on cost-plus, and the receivables depend on funding demand in credit period.	6.12%
"	"	"	"	Receipts in advance	62,605	"	0.12%
2	API-PRC	The Company	2	Processing Revenue	994,630	The price is based on the need of operating cost, and the receivables depend on funding demand in credit period.	3.13%
"	"	"	"	Accounts Receivable	870,958	"	1.70%
3	"	API-WUHAN	3	Sales Revenue	80,724	"	0.25%
"	"	"	"	Accounts Receivable	24,531	"	0.05%
4	API-WUHAN	The Company	2	Processing Revenue	271,010	"	0.85%
"	"	"	"	Other payables	370,735	"	0.72%
5	OmniOn Power (Shanghai)	OmniOn Power (China)	3	Sales Revenue	145,509	OA60	0.46%
"	"	"	"	Accounts Receivable	49,163	"	0.10%
6	"	OmniOn Power (SG)	"	Sales Revenue	163,761	"	0.52%
"	"	"	"	Accounts Receivable	9,882	"	0.02%
7	OmniOn Power (US)	"	"	Sales Revenue	591,849	"	1.87%
"	"	"	"	Accounts Receivable	31,226	"	0.06%
8	OmniOn Power (Matamoros)	OmniOn Power (US)	"	Sales Revenue	695,978	"	2.19%
"	"	"	"	Accounts Receivable	461,606	"	0.90%
9	OmniOn Power (Shanghai)	"	2	Sales Revenue	2,021,778	"	6.37%
"	"	"	"	Accounts Receivable	1,165,100	"	2.27%
10	OmniOn Power (US)	OmniOn Power (DE)	3	Sales Revenue	370,960	"	1.17%
"	"	"	"	Accounts Receivable	1,645	"	0.00%
11	OmniOn Power (Mumbai)	OmniOn Power (US)	2	Sales Revenue	101,551	"	0.32%
"	"	"	"	Accounts Receivable	16,753	"	0.03%
12	OmniOn Power (US)	OmniOn Power (CH)	3	Service Revenue	206,726	The receivables depend on funding demand in credit period.	0.65%
"	"	"	"	Accounts Receivable	2,227,855	"	4.34%
13	OmniOn Power (CH)	OmniOn Power (US)	"	Royalty Revenue	273,153	"	0.86%
"	"	"	"	Accounts Receivable	2,181,066	"	4.25%
14	AcLeap Power	"	1	Royalty Revenue	587,867	"	1.85%
15	OmniOn Power (US)	AcLeap Power	2	Service Revenue	392,085	"	1.24%
16	OmniOn Power (China)	"	"	Service Revenue	154,497	"	0.49%
17	"	OmniOn Power (US)	3	Service Revenue	100,326	"	0.32%
"	"	"	"	Accounts Receivable	287,001	"	0.56%
18	API-PRC	AcBel-BVI	"	Accounts Receivable	917,473	"	1.79%

Note 1: The numbers filled in as follows:

1. 0 represents the Parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

1. represents the transactions from the parent company to its subsidiaries.
2. represents the transactions from the subsidiaries to the parent company.
3. represents the transactions between subsidiaries.

# ACBEL POLYTECH INC.

## Notes to the Financial Statements

Table 7 Information on investees:  
December 31, 2025

Unit: thousand dollars/ thousand units

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		End Balance			Net Income (losses) of the Investee	Investment income (losses)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	AcBel-BVI	British Virgin Island	Investment activities	2,778,451 (USD 88,444)	2,778,451 (USD 88,444)	88,444	100%	7,853,541	105,859	105,859	Subsidiaries (Note 2)
"	AcBel Polytech I.I.	British Virgin Island	Investment activities	374,464 (USD 11,920)	374,464 (USD 11,920)	11,920	100%	1,952,134	3,454	3,454	"
"	AcBel-JAP	Japan	Electronic products marketing and services	2,007 (JPY 10,000)	2,007 (JPY 10,000)	1	100%	13,520	343	343	"
"	AcBel-Ireland	Ireland	Provide after-sales service	368 (EUR 10)	368 (EUR 10)	10	100%	959	233	233	"
"	AcTek	Taiwan	Business of solar energy	295,000	295,000	29,500	100%	292,611	(3,068)	(3,068)	"
"	AcRay	Taiwan	Business of solar energy	500	500	50	100%	466	2	2	"
"	Star Power	Taiwan	Business of solar energy	274,000	274,000	27,400	16%	273,604	(23,471)	(2,026)	An invested company that were evaluated under the equity method
"	Kinpo&Compal Group	Taiwan	Property develope	2,925,000	1,725,000	292,500	30%	2,902,484	(9,674)	(2,903)	"
"	AcTel Power	Taiwan	Business of solar energy	15,000	15,000	1,500	100%	30,773	14,504	14,504	Subsidiaries (Note 2)
"	AcGile	Taiwan	Business of automotive electornics	1,000	100,000	1,000	100%	1,288	205	205	"
"	Sumray	Taiwan	Business of energy storage	-	300,292	-	100%	-	5,965	5,965	"
"	AcSun	Taiwan	Business of solar energy	200,000	200,000	20,000	20%	206,146	23,308	4,662	An invested company that were evaluated under the equity method
"	AcLeap	Taiwan	Investment activities	12,663,800	12,663,800	42,696	83%	14,114,703	804,607	492,974	Subsidiaries (Note 2)
AcBel-BVI	AcBel-SGP	Singapore	Investment activities	2,081,219 (SGP 85,214)	2,081,219 (SGP 85,214)	85,214	100%	6,232,139	(5,451)	Recognized by Shareholding Percentage by AcBel-BVI	A grandson company (Note 2)
"	AcBel-USA	U.S.A.	Provide after-sales service	20,420 (USD 650)	20,420 (USD 650)	50	100%	59,229	2,184	"	"
"	AcBel-UK	UK.	Provide after-sales service	-	-	-	100%	766	-	"	"
"	AcBel-PHI	Philippines	Manufacturing and selling of power supplies	215,003 (USD 6,844)	215,003 (USD 6,844)	3,350	100%	632,355	48,305	"	"
"	CSA	Philippines	Investment activities	4,932 (USD 157)	4,932 (USD 157)	8	40%	(4,433)	(4,925)	"	"
"	AcBel-SAMOA	Samoa	Investment activities	628,296 (USD 20,000)	628,296 (USD 20,000)	20,000	100%	1,718,136	88,278	"	"
"	Itasca	U.S.A.	Provide market consulting and research and development related power supply	-	12,566 (USD 400)	-	0%	-	(87)	"	"
AcBel Polytech I.I.	Power Station	Republic of Mauritius	Investment activities	873,897 (USD 27,818)	873,897 (USD 27,818)	26,627	83%	1,396,013	(19,451)	Recognized by Shareholding Percentage by AcBel Polytech I.I.	"
AcBel-PHI	CK	Philippines	Investment activities	3,079 (USD 98)	3,079 (USD 98)	5	40%	(392,770)	(3,027)	Recognized by Shareholding Percentage by AcBel-PHI	"
CK	CSA	Philippines	Investment activities	6,382 (PHP 12,000)	6,382 (PHP 12,000)	12	60%	(6,650)	(4,925)	Recognized by Shareholding Percentage by CK	"
Power Station	SINO-Vietnam	Vietnam	Manufacturing and selling of computer hardware	62,830 (USD 2,000)	62,830 (USD 2,000)	-	100%	42,190	(14,481)	Recognized by Shareholding Percentage by Power Station	"

# ACBEL POLYTECH INC.

## Notes to the Financial Statements

Table 7 Information on investees:  
December 31, 2025

Unit: thousand dollars/ thousand units

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		End Balance			Net Income (losses) of the Investee	Investment income (losses)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
AcBel-SGP	AcRise Power	Taiwan	Investment activities	-	91,188	-	100%	-	136,640	Recognized by Shareholding Percentage by AcBel-SGP	A grandson company (Note 2 - 3)
"	AcAmple Power	Singapore	Investment activities	292,755	6,567	9,319	100%	3,110,504	(412)	"	A grandson company
AcRise Power	AcLeap Power	Taiwan	Investment activities	88,188	88,188	8,819	17%	1,766,351	804,607	Recognized by Shareholding Percentage by AcRise Power	(Note 2)
AcLeap Power	OmniOn Power	U.S.A.	Investment activities	13,791,034 (USD 438,998)	13,791,034 (USD 438,988)	-	100%	7,738,795	848,780	Recognized by Shareholding Percentage by AcLeap Power	Subsidiaries (Note 2)
"	OmniOn Power (CH)	Switzerland	Investment activities	785 (USD 25)	785 (USD 25)	25	100%	2,280,887	(68,646)	"	A grandson company (Note 2)
"	OmniOn Power (Taiwan)	Taiwan	Service	1,000,000	-	100	100%	(30)	(1,063)	"	"
OmniOn Power	OmniOn Overseas	U.S.A.	Investment activities	-	-	-	100%	1,224,848	144,823	Recognized by Shareholding Percentage by OmniOn Power	"
"	OmniOn Power (US)	U.S.A.	Product marketing and design services	2,729,852 (USD 86,897)	2,729,852 (USD 86,897)	-	100%	6,495,779	703,121	"	"
OmniOn Overseas	OmniOn Power (DE)	Germany	Product marketing	921 (EUR 25)	921 (EUR 25)	-	100%	300,189	83,165	Recognized by Shareholding Percentage by OmniOn Overseas	"
"	OmniOn Power (SG)	Singapore	Product marketing	200,810 (SGD 8,222)	200,810 (SGD 8,222)	-	100%	586,159	24,703	"	"
OmniOn Power and OmniOn Overseas	OmniOn Power (MX)	Mexico	Product marketing	9,137 (MXN 5,237)	9,137 (MXN 5,237)	-	100%	338,494	36,950	Recognized by Shareholding Percentage by OmniOn Power and OmniOn Overseas	"
OmniOn Power (US)	OmniOn Power (Mumbai)	India	Manufacturing activities	140 (INR 400)	140 (INR 400)	-	100%	56,046	(6,529)	Recognized by Shareholding Percentage by OmniOn Power (US)	"
"	OmniOn Power (India)	India	Marketing and technical services	280 (INR 800)	280 (INR 800)	-	100%	329	(4,463)	"	"
OmniOn Power (MX) and OmniOn Overseas	OmniOn Power (Matamoros)	Mexico	Manufacturing activities	2,352 (MXN 1,348)	2,352 (MXN 1,348)	-	100%	363,012	71,782	Recognized by Shareholding Percentage by OmniOn Power (MX) and OmniOn Overseas	"
OmniOn Power (CH)	OmniOn Power (EU)	Switzerland	Investment activities	785 (USD 25)	-	25	100%	(2,824)	(3,603)	Recognized by Shareholding Percentage by OmniOn Power (CH)	"
AcAmple	AcRise Power	Taiwan	Investment activities	91,188	-	9,119	100%	56,287	136,640	Recognized by Shareholding Percentage by AcAmple Power	A grandson company (Note 2 - 3)

Note 1: The accordance of the exchange rate is based on the end of the reporting date.

Note 2: The transactions have been eliminated in the consolidated financial statements.

Note 3: On November 10, 2025, AcLeap Power's Board of Directors resolved to issue new shares as consideration for AcBel-SGP exchange shares of AcRise Power, increasing AcLeap Power's ownership to 100%.

**ACBEL POLYTECH INC.**  
**Notes to the Financial Statements**

Table 8 Information on investment in Mainland China:  
December 31, 2025

(i) Information on investment in Mainland China:

Unit: thousand dollars

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 2)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025 (Note 2)	Net Income (losses) of the Investee	Percentage of ownership owned directly or indirectly by the company	Investment income (losses) (Note 1)	Carrying amount as of December 31, 2025	Accumulated remittance of earnings as of December 31, 2025	Note
					Outflow	Inflow							
API-PRC	Manufacturing and selling of power supplies	Has been verified: 2,104,792 ( USD 67,000 )	Indirect investment through AcBel-BVI	1,721,531 ( USD 54,800 )	-	-	1,721,531 ( USD 54,800 )	(147,244)	100%	(147,244)	3,303,782	-	Note 6
API-WUHAN	Manufacturing and selling of power supplies	Has been verified: 628,296 ( USD 20,000 )	Indirect investment through AcBel-BVI	628,296 ( USD 20,000 )	-	-	628,296 ( USD 20,000 )	90,267	100%	90,267	1,709,820	-	-
SINO	Manufacturing and selling of computer hardware	Has been verified: 1,005,274 ( USD 32,000 )	Indirect investment through AcBel Polytech I.I.	771,233 ( USD 24,550 )	-	-	771,233 ( USD 24,550 )	(2,935)	83%	(2,427)	1,122,213	-	-
SINO-Tongliang	Manufacturing and selling of computer hardware	Has been verified: 67,352 ( CNY 15,000 )	Indirect investment through AcBel Polytech I.I.	-	-	-	-	(6,406)	83%	(5,298)	94,305	-	Note 5
Kanghua-Chongqing	Manufacturing and selling of computer hardware	Has been verified: 67,352 ( CNY 15,000 )	Indirect investment through AcBel Polytech I.I.	-	-	-	-	(10,504)	83%	(8,686)	(26,987)	-	Note 5
OmniOn Power (Shanghai)	Investment activities	Has been verified: 533,112 ( CNY 118,730 )	Indirect investment through OmniOn Power.	-	-	-	-	197,215	100%	197,215	1,834,028	-	-
OmniOn Power (China)	Product marketing and design services	Has been verified: 382,365 ( CNY 85,157 )	Indirect investment through OmniOn Power.	-	-	-	-	(44,323)	100%	(44,323)	224,354	-	-

**ACBEL POLYTECH INC.**  
**Notes to the Financial Statements**

Table 8 Information on investment in Mainland China:  
December 31, 2025

(ii) Limitation on investment in Mainland China:

Unit: thousand dollars

Name	Accumulated Investment in Mainland China as of December 31, 2025 (Note 2)	Investment Amounts Authorized by Investment Commission of Ministry of Economic Affairs (Notes 2 )	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
The Company	3,121,060 (USD 99,350)	4,181,593 (USD 133,109)(Note 3)	Unrestricted (Note 4)
AcLeap Power Inc.	-	1,462,830 (USD 46,565)	6,190,484

Note 1 : The investment gains or losses of the current period are recognized according to the financial statements which have been audited and certified by the certified public accountants of the Company's Taiwan parent company of self-compiled without reviewed.

Note 2 : The USD and CNY were translated into New Taiwan Dollars at the exchange rates of 31.4148 and 4.49012, respectively, as of December 31, 2025.

Note 3 : The total amount is USD 179,674 thousand, among which the amounts of USD 24,850 thousand and USD 576 thousand are capital increase transferred from retained earnings of API-PRC and SINO, respectively. Besides, the amount of USD 450 thousand is the equity fund of AcBel Polytech I.L.. Due to the merger of API-PRC and AcBel-Magnetics, an amount of USD 2,000 thousand was written-off from AcBel-Magnetics. Therefore, the authorized investment amount of API-PRC increased USD 375 thousand. After API-PRC and AcTel-Dong Guan merged, USD 11,000 thousand of AcTel-Dong Guan was cancelled, API-PRC investment increased USD 20,508 thousand.

Note 4 : According to the "REGULATIONS GOVERNING THE APPROVAL OF INVESTMENT OR TECHNICAL COOPERATION IN MAINLAND CHINA" amended in August 29, 2008 by the MOEAIC, The Company has acquired related documents. Therefore, there is no restriction to the Company's investing amount in Mainland China.

Note 5 : SINO-Tongliang and Kanghua-Chongqing are invested by the equity fund of SINO which is indirectly invested by AcBel Polytech I.L..

Note 6 : In the third quarter of 2020, API-PRC appropriated profits to AcBel-SGP and AcBel-BVI for a total of \$3,804,900 (CNY \$900,000). As of the reporting date, the funds have not been remitted to Taiwan.

(iii) Significant transactions:

1) Outsourced manufacturing fee

For the years ended December 31, 2025, the Group provides materials and outsource manufacturing process to API-PRC and API-WUHAN and purchase the finished products from them, with the price, including the processing fee and basing on the demand of operation cost, having been written-off in the financial statements. Moreover, the total amounts of processing fee from API-PRC and API-WUHAN were \$994,630 and \$271,010, respectively, wherein the accounts payable and other receivables arising from the aforesaid transactions were being offset against each other monthly. Furthermore, the accounts payable of API-PRC amounted to \$870,958.

2) Other transactions:

Please refer to information on significant transactions and business relationships and significant intercompany transaction for the information on significant direct or indirect transactions between the Group and the investee companies in Mainland China for the years ended December 31, 2025.