

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

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Acbel Polytech Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Acbel Polytech Inc. and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$3,625,513 thousand and \$2,618,389 thousand, constituting 8% and 5% of the consolidated total assets; and the total liabilities amounting to \$1,708,303 thousand and \$984,844 thousand, constituting 7% and 4% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; as well as the total comprehensive income (loss) amounting to \$11,489 thousand and \$(52,681) thousand, constituting 14% and (26)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in note (6)(i), the other equity accounted investments of Acbel Polytech Inc. and its subsidiaries in its investee companies of \$2,204,583 thousand and \$2,201,537 thousand as of March 31, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$(330) thousand and \$2,103 thousand for the three months ended March 31, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Acbel Polytech Inc. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
May 12, 2025

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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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 Balance Sheets

March 31, 2025, December 31 and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2025		December 31, 2024		March 31, 2024 (Restated)			Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024 (Restated)	
		Amount	%	Amount	%	Amount	%				Amount	%	Amount	%	Amount	%
Current assets:									Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$ 6,558,349	14.1	7,045,569	13.5	7,515,854	15.0	2100	Short-term borrowings (note (6)(n))	\$ 4,339,174	9.2	4,548,512	8.7	4,629,812	9.2	
1111	Current financial assets at fair value through profit or loss (note (6)(b))	-	-	340	-	215	-	2126	Financial liabilities for hedging, current (note (6)(e))	-	-	3,040	-	2,948	-	
1136	Current financial assets at amortized cost (notes (6)(a) and (6)(d))	1,191,564	2.6	907,929	1.7	1,109,265	2.2	2170	Notes and accounts payable (including related parties) (note (7))	4,601,946	9.9	6,190,152	11.9	5,200,767	10.3	
1150	Notes receivable, net (note (6)(f))	236,717	0.5	229,811	0.5	45,360	0.1	2260	Liabilities classified as held for sale (note (6)(h))	-	-	3,017,856	5.8	-	-	
1170	Accounts receivable, net (note (6)(f))	6,809,081	14.6	8,202,404	15.8	6,502,767	12.9	2200	Accrued expenses and other payables (notes (6)(o) and (7))	3,157,812	6.8	3,154,669	6.1	2,828,497	5.6	
1180	Accounts receivable due from related parties, net (notes (6)(f) and (7))	562,999	1.2	713,953	1.4	566,229	1.1	2280	Current lease liabilities (note (6)(s))	324,180	0.7	304,862	0.6	308,665	0.6	
1200	Other receivables (note (7))	102,646	0.2	149,038	0.3	377,479	0.8	2300	Other current liabilities (note (6)(p))	1,443,657	3.1	1,673,278	3.2	1,457,325	2.9	
1300	Inventories, net (note (6)(g))	6,803,254	14.6	7,196,555	13.8	7,216,102	14.3	2322	Current portion long-term borrowings (note (6)(q))	586,289	1.3	555,524	1.1	351,998	0.7	
1410	Prepayments and other current assets	1,108,464	2.4	976,991	1.9	941,481	1.9			14,453,058	31.0	19,447,893	37.4	14,780,012	29.3	
1460	Non-current assets classified as held for sale, net (notes (6)(h) and (6)(j))	-	-	3,336,853	6.4	-	-	2500	Non-Current liabilities:							
		23,373,074	50.2	28,759,443	55.3	24,274,752	48.3		Non-current financial liabilities at fair value through profit or loss (notes (6)(b) and (6)(r))	62,400	0.1	60,800	0.1	33,200	0.1	
Non-current assets:								2530	Bonds payable (note (6)(r))	3,789,509	8.1	3,773,423	7.3	3,725,344	7.4	
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (6)(r))	200,733	0.4	222,587	0.4	246,391	0.5	2540	Long-term borrowings (note (6)(q))	2,870,044	6.2	3,019,709	5.8	5,376,957	10.7	
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	56,178	0.1	83,415	0.1	156,916	0.3	2570	Deferred tax liabilities	1,293,767	2.8	1,286,517	2.5	1,397,265	2.8	
1535	Non-current financial assets at amortized cost, net (notes (6)(a) and (6)(d))	137,273	0.3	44,987	0.1	-	-	2580	Non-current lease liabilities (note (6)(s))	645,905	1.3	699,066	1.3	741,558	1.5	
1550	Investments accounted for using the equity method (notes (6)(i) and (7))	2,204,583	4.7	2,204,913	4.2	2,201,537	4.4	2640	Provisions for employee benefits, non-current (note (t))	175,951	0.4	171,976	0.3	201,190	0.4	
1600	Property, plant and equipment (notes (6)(k), (7) and (8))	8,286,604	17.9	8,369,540	16.1	11,015,291	21.9	2670	Other non-current liabilities	170,447	0.4	170,510	0.3	797,064	1.6	
1755	Right-of-use assets (note (6)(l))	1,044,598	2.2	1,075,071	2.1	1,118,358	2.2			9,008,023	19.3	9,182,001	17.6	12,272,578	24.5	
1780	Intangible assets (note (6)(m))	9,470,620	20.5	9,562,315	18.4	9,835,041	19.6	3110	Total liabilities	23,461,081	50.3	28,629,894	55.0	27,052,590	53.8	
1840	Deferred tax assets	1,427,529	3.1	1,418,374	2.7	1,221,783	2.4	3200	Equity attributable to owners of parent							
1900	Other non-current assets (note (8))	197,067	0.4	191,995	0.4	201,100	0.4		(notes (6)(r) and (6)(v)):							
1975	Net defined benefit asset, non-current(note (6)(t))	99,715	0.2	88,625	0.2	-	-	3110	Ordinary shares	8,585,531	18.5	8,587,371	16.5	8,616,256	17.1	
		23,124,900	49.8	23,261,822	44.7	25,996,417	51.7	3220	Capital surplus	10,049,869	21.6	10,221,596	19.6	10,337,993	20.6	
								3310	Retained earnings:							
									Legal reserve	1,420,741	3.1	1,420,741	2.8	1,414,288	2.8	
								3320	Special reserve	267,308	0.6	267,308	0.5	235,245	0.5	
								3350	Unappropriated retained earnings	2,146,659	4.6	2,503,428	4.8	2,420,141	4.8	
										3,834,708	8.3	4,191,477	8.1	4,069,674	8.1	
								3400	Other components of equity	257,941	0.6	77,770	0.2	(167,879)	(0.3)	
										22,728,049	49.0	23,078,214	44.4	22,856,044	45.5	
								3610	Non-controlling interests	308,844	0.7	313,157	0.6	362,535	0.7	
									Total equity	23,036,893	49.7	23,391,371	45.0	23,218,579	46.2	
Total assets		\$ 46,497,974	100.0	52,021,265	100.0	50,271,169	100.0		Total liabilities and equity	\$ 46,497,974	100.0	52,021,265	100.0	50,271,169	100.0	

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 Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended March 31,			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(y) and (7))	\$ 7,118,425	100.0	7,184,901	100.0
5000	Operating costs (notes (6)(g) and (7))	5,296,719	74.4	5,499,666	76.5
5900	Gross profit	1,821,706	25.6	1,685,235	23.5
6000	Operating expenses (notes (t) , (u) , (w) , (z) , (7) and (12)(a)):				
6100	Selling expenses	456,850	6.4	441,216	6.1
6200	Administrative expenses	667,308	9.4	721,649	10.0
6300	Research and development expenses	730,246	10.3	579,035	8.1
		1,854,404	26.1	1,741,900	24.2
		(32,698)	(0.5)	(56,665)	(0.7)
6900	Net operating loss				
7000	Non-operating income and expenses:				
7100	Interest income	55,870	0.8	49,421	0.7
7190	Other income and (losses) (notes (6)(b) , (6)(i) and (6)(aa))	5,477	0.1	(104,311)	(1.4)
7230	Foreign exchange gains (loss), net (notes (6)(e) and (6)(ab))	54,555	0.8	178,276	2.5
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss (notes (6)(b) , (6)(e) , (6)(r) and (6)(ab))	(10,139)	(0.1)	17,115	0.2
7510	Interest expense (notes (6)(r) and (6)(s))	(70,183)	(1.0)	(63,390)	(0.9)
7770	Share of profit and (losses) of associates and joint ventures accounted for using the equity method (note (6)(i))	(330)	-	2,103	-
		35,250	0.6	79,214	1.1
		2,552	0.1	22,549	0.4
7900	Profit before tax	54,286	0.8	100,240	1.4
7950	Income tax expenses (note (6)(u))	(51,734)	(0.7)	(77,691)	(1.0)
	loss from continuing operations, net of tax				
8100	Profit (loss) from discontinued operations:				
8101	Profit (loss) from discontinued operations, net of tax (note (12)(b))	5,965	0.1	(1,456)	-
8200	Profit	(45,769)	(0.6)	(79,147)	(1.0)
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(3)	-	(3,538)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(19,862)	(0.3)	(52,474)	(0.7)
8349	Less: income tax related to components of other comprehensive income (note (6)(u))	(3,033)	-	(9,311)	(0.1)
	Components of other comprehensive income that will not be reclassified to profit or loss	(16,832)	(0.3)	(46,701)	(0.6)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	145,848	2.0	326,950	4.5
8399	Less: income tax related to components of other comprehensive income	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	145,848	2.0	326,950	4.5
8300	Other comprehensive income (loss)	129,016	1.7	280,249	3.9
8500	Comprehensive income	<u>\$ 83,247</u>	<u>1.1</u>	<u>201,102</u>	<u>2.9</u>
	Profit attributable to:				
8610	Owners of parent	(44,555)	(0.6)	(81,415)	(1.0)
8620	Non-controlling interests	(1,214)	-	2,268	-
		(45,769)	(0.6)	(79,147)	(1.0)
	Comprehensive income attributable to:				
8710	Owners of parent	79,153	1.0	191,920	2.7
8720	Non-controlling interests	4,094	0.1	9,182	0.2
		83,247	1.1	201,102	2.9
	Profit attributable to:				
	Owners of parent				
	Profit from continued operations, net of tax	\$ (50,520)	(0.7)	(79,959)	(1.0)
	Profit (loss) from discontinued operations, net of tax	5,965	0.1	(1,456)	-
8610	Profit attributable to owners of parent	<u>\$ (44,555)</u>	<u>(0.6)</u>	<u>(81,415)</u>	<u>(1.0)</u>
	Non-controlling interests				
	Profit from continued operations, net of tax	\$ (1,214)	-	2,268	-
	Profit (loss) from discontinued operations, net of tax	-	-	-	-
8620	Profit attributable to non-controlling interests	<u>\$ (1,214)</u>	<u>-</u>	<u>2,268</u>	<u>-</u>
	Comprehensive income attributable to:				
	Owners of parent				
	Comprehensive income from continued operations, net of tax	\$ 73,188	0.9	193,376	2.8
	Comprehensive income (loss) from discontinued operations, net of tax	5,965	0.1	(1,456)	-
8710	Comprehensive income attributable to owners of parent	<u>\$ 79,153</u>	<u>1.0</u>	<u>191,920</u>	<u>2.8</u>
	Non-controlling interests				
	Comprehensive income from continued operations, net of tax	\$ 4,094	0.1	9,182	0.1
	Comprehensive income (loss) from discontinued operations, net of tax	-	-	-	-
8720	Comprehensive income attributable to non-controlling interests	<u>\$ 4,094</u>	<u>0.1</u>	<u>9,182</u>	<u>0.1</u>
	Earnings per share (note (6)(x)):				
9750	Basic net income per share (NT dollars)				
	Basic earnings (loss) per share from continuing operations	\$	(0.06)		(0.10)
	Basic earnings (loss) per share from discontinued operations		0.01		-
	Total basic earnings per share	<u>\$</u>	<u>(0.05)</u>		<u>(0.10)</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 three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings					Other components of equity						
						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
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings								
Balance at January 1, 2024	\$ 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:												
Cash dividends	-	-	-	-	(430,930)	-	-	-	-	(430,930)	-	(430,930)
Profit (loss) for the three months ended March 31, 2024	-	-	-	-	(81,415)	-	-	-	-	(81,415)	2,268	(79,147)
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	(3,538)	320,036	(43,163)	-	276,873	273,335	6,914	280,249
Comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	(84,953)	320,036	(43,163)	-	276,873	191,920	9,182	201,102
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(7,144)	-	-	-	-	(7,144)	-	(7,144)
Share-based payments transactions	(4,935)	(10,536)	-	-	-	-	-	(37,973)	(37,973)	(53,444)	-	(53,444)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,387)	(8,387)
Balance at March 31, 2024	<u>\$ 8,616,256</u>	<u>10,337,993</u>	<u>1,414,288</u>	<u>235,245</u>	<u>2,420,141</u>	<u>214,937</u>	<u>(205,371)</u>	<u>(177,445)</u>	<u>(167,879)</u>	<u>22,856,044</u>	<u>362,535</u>	<u>23,218,579</u>
Balance at January 1, 2025	\$ 8,587,371	10,221,596	1,420,741	267,308	2,503,428	364,444	(259,594)	(27,080)	77,770	23,078,214	313,157	23,391,371
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	-	(257,591)	-	-	-	-	(257,591)	-	(257,591)
Loss for the three months ended March 31, 2025	-	-	-	-	(44,555)	-	-	-	-	(44,555)	(1,214)	(45,769)
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	(3)	140,540	(16,829)	-	123,711	123,708	5,308	129,016
Comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	(44,558)	140,540	(16,829)	-	123,711	79,153	4,094	83,247
Cash dividends from capital surplus	-	(171,727)	-	-	-	-	-	-	-	(171,727)	-	(171,727)
Share-based payments transactions	(1,840)	-	-	-	-	-	-	1,840	1,840	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,407)	(8,407)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(54,620)	-	54,620	-	54,620	-	-	-
Balance at March 31, 2025	<u>\$ 8,585,531</u>	<u>10,049,869</u>	<u>1,420,741</u>	<u>267,308</u>	<u>2,146,659</u>	<u>504,984</u>	<u>(221,803)</u>	<u>(25,240)</u>	<u>257,941</u>	<u>22,728,049</u>	<u>308,844</u>	<u>23,036,893</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 Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit from continued operations, net of tax	\$ 2,552	22,549
Profit (loss) from discontinued operations before tax	7,456	(1,456)
Profit before tax	10,008	21,093
Adjustments for:		
Depreciation expense	342,454	310,301
Amortization expense	95,955	98,960
Expected credit loss	8,679	125
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	10,139	(17,115)
Interest expense	73,706	63,581
Interest income	(56,033)	(49,524)
Compensation costs of share-based payment transaction	-	(53,444)
Share of loss (profit) of associates and joint ventures accounted for using the equity method	330	(2,103)
Gain on disposal of property, plant and equipment	(225)	(8,032)
Gain on disposal of investments accounted for using equity method	(645)	-
Others	(71)	5,877
	<u>474,289</u>	<u>348,626</u>
Changes in operating assets and liabilities:		
Decrease in derivative financial assets for hedging	-	2,937
Increase in notes receivable	(6,906)	(5,706)
Decrease in accounts receivable	1,421,236	1,349,639
Decrease in accounts receivable due from related parties	150,954	30,814
Decrease (increase) in other receivables	37,185	(152,686)
Decrease in inventories	441,530	154,885
Increase in prepayment and other current assets	(89,407)	(186,109)
Increase (decrease) in derivative financial liabilities for hedging	(3,055)	2,948
Decrease in contract liabilities	(127,669)	(205,678)
Decrease in accounts payable (including related parties)	(1,609,790)	(430,533)
Decrease in accrued expense and other current liabilities	(404,361)	(177,581)
Increase in provisions for employee benefits, non-current	342	3,939
Total changes in operating assets and liabilities	<u>(189,941)</u>	<u>386,869</u>
Total adjustments	<u>284,348</u>	<u>735,495</u>
Cash flows from (used in) operations	294,356	756,588
Interest received	65,984	42,527
Income taxes paid	(159,147)	(159,595)
Net cash flows from (used in) operating activities	<u>201,193</u>	<u>639,520</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,374	-
Disposal of financial assets at fair value through profit or loss	13,660	6,248
Proceeds from acquisition of financial assets at amortized cost	(364,839)	(542,785)
Proceeds from disposal of investments accounted for using equity method	-	180,846
Proceeds from disposal of subsidiaries	325,607	-
Acquisition of property, plant and equipment	(206,611)	(1,929,592)
Proceeds from disposal of property, plant and equipment	11,480	-
Increase in refundable deposits	(2,466)	(4,762)
Acquisition of intangible assets	(2,204)	(9,337)
Increase in other current financial assets	(31,912)	-
Decrease (increase) in other non-current assets	(13,314)	36,834
Proceeds from disposal of subsidiaries	18,370	-
Net cash flows from (used in) investing activities	<u>(244,855)</u>	<u>(2,262,548)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(211,201)	517,692
Proceeds from long-term borrowings	-	1,520,030
Repayments of long-term borrowings	(121,779)	(58,232)
Payment of lease liabilities	(88,513)	(49,325)
Interest paid	(64,209)	(56,561)
Change in non-controlling interests	(8,407)	(8,387)
Guarantee deposits and others	34	308,425
Net cash flows from (used in) financing activities	<u>(494,075)</u>	<u>2,173,642</u>
Effect of exchange rate changes on cash and cash equivalents	50,517	236,984
Net increase (decrease) in cash and cash equivalents	(487,220)	787,598
Cash and cash equivalents at beginning of period	7,045,569	6,728,256
Cash and cash equivalents at end of period	<u>\$ 6,558,349</u>	<u>7,515,854</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

March 31, 2025 and 2024

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

(1) Company history

Acbel Polytech Inc. (the “Company”) was incorporated in 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)(b) for related information about the Group 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 May 12, 2025.

(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 IAS21 “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:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(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:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	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. • 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. • 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. • 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.	January 1, 2027

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	The amendments set out: 1. IFRS 1 “First-time Adoption of International Financial Reporting Standards”: The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments. 2. IFRS 7 “Financial Instruments: Disclosures”: The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. 3. IFRS 9 “Financial Instruments”: • Derecognition of a lease liability The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases. • Transaction price The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.	January 1, 2026

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

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 “Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’.	
	5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

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 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

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

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Acbel Polytech Holdings Inc. (Acbel-BVI)	Investment	100%	100%	100%	Note 9
"	Acbel Polytech International Inc. (Acbel Polytech I.I.)	Investment	100%	100%	100%	Note 9
"	Acbel Polytech Japan Inc. (Acbel-JAP)	Marketing and service for electronic products	100%	100%	100%	Note 9
"	AcRay Energy Co., Ltd. (AcRay)	Business of solar energy	100%	100%	100%	Note 9
"	AcTek Energy Co., Ltd. (AcTek)	Business of solar energy	100%	100%	100%	
"	Acbel Polytech (Ireland) Limited (Acbel-Ireland)	Maintenance of power supplies	100%	100%	100%	Note 9
"	AcTel Power Co., Ltd. (AcTel Power)	Business of solar energy	100%	100%	100%	Note 9
"	AcGile EV Power Inc. (AcGile)	Business of automotive electronics	100%	100%	100%	Note 9
"	Sumray Power Company (Sumray)	Business of energy storage	-%	100%	100%	Note 1
"	AcLeap Power Inc. (AcLeap Power)	Investment	83%	83%	100%	Note 3
"	AcSun Energy Inc. (AcSun)	Business of solar energy	-%	-%	Note 2	Note 9
Acbel-BVI	Acbel Polytech (Singapore) Pte Ltd. (Acbel-SGP)	Investment	100%	100%	100%	Note 9
"	Acbel (USA) Polytech Inc. (Acbel-USA)	Maintenance of power supplies	100%	100%	100%	Note 9
"	Acbel Polytech (UK) Ltd. (Acbel-UK)	Maintenance of power supplies	100%	100%	100%	Note 9
"	Acbel Polytech Philippines Inc. (Acbel-PHI)	Manufacture and sale of power supplies	100%	100%	100%	Note 9
"	CSA Holdings Inc. (CSA)	Investment	40%	40%	40%	Note 9
"	Acbel Polytech (SAMOA) Investment Inc. (Acbel-SAMOA)	Investment	100%	100%	100%	Note 9
"	Acbel Electronic (Dong Guan) Co., Ltd. (API-PRC)	Manufacture and sale of power supplies	3%	3%	3%	
"	Itasca Technology Inc.(Itasca)	Consultation and research on power supplies	100%	100%	100%	Note 9
Acbel-SGP	(API-PRC)	Manufacture and sale of power supplies	97%	97%	97%	
"	AcRise Power Inc.	Investment	100%	100%	100%	Note 9
"	OmniOn Power Holdings Inc. (OmniOn Power)	Investment	-%	-%	19%	Note 3
"	AcAmple Power Pte. Ltd. (AcAmple Power)	Investment	100%	100%	100%	Note 9
AcRise Power	AcLeap Power Inc. (AcLeap Power)	Investment	17%	17%	-%	Note 3
Acbel-SAMOA	Acbel Electronic (WUHAN) Co., Ltd. (API-WUHAN)	Manufacture and sale of power supplies	100%	100%	100%	

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ACBEL POLYTECH INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Acbel-PHI	CK Holdings Inc.(CK)	Investment	40%	40%	40%	Note 9
CK	CSA	Investment	60%	60%	60%	Note 9
Acbel Polytech I.I.	Power Station Holdings Ltd. (Power Station)	Investment	83%	83%	79%	Note 6 and Note 9
Power Station	Target Gain Corporation (Target Gain)	Purchase and sale of electronic components	-%	-%	100%	Note 5
"	Shanghai Sino Hardware Electronics (Wujiang) Co, Ltd. (SINO)	Manufacture and sale of computer hardware	100%	100%	100%	
"	Huhua Hardware Electronics (Vietnam) Company Limited (SINO-Vietnam)	Manufacture and sale of computer hardware	100%	100%	-%	Note 4 and Note 9
SINO	Chongqing Tongliang District Shanghai Sino Hardware Electronics Co.Ltd. (SINO-Tongliang)	Manufacture and sale of computer hardware	100%	100%	100%	Note 9
"	Chongqing Kanghua Metal Product Co., Ltd. (Kanghua-Chongqing)	Manufacture and sale of computer hardware	100%	100%	100%	Note 9
AcLeap	OmniOn Power	Investment	100%	100%	81%	Note 3
"	OmniOn Power Technology GmbH (Switzerland) (OmniOn Power (CH))	Investment	100%	100%	-%	Note 7
OmniOn Power (CH)	OmniOn Power (Europe) GmbH (Switzerland) (OmniOn Power (EU))	Investment	100%	-%	-%	Note 8
OmniOn Power	OmniOn Power Overseas LLC. (OmniOn Overseas)	Investment	100%	100%	100%	
"	OmniOn Power Inc. (OmniOn Power (US))	Product marketing and design services	100%	100%	100%	
OmniOn Power and OmniOn Overseas	OmniOn Power (Mexico) S. de R.L. de C.V. (OmniOn Power (MX))	Product marketing	100%	100%	100%	
OmniOn Overseas	OmniOn Power (Germany) GmbH (OmniOn Power (DE))	Product marketing	100%	100%	100%	
"	OmniOn Power (Singapore) Pte. Ltd. (OmniOn Power (SG))	Product marketing	100%	100%	100%	
OmniOn Power (US)	OmniOn Power Shanghai Co., Ltd. (OmniOn Power (Shanghai))	Manufacture	100%	100%	100%	
"	OmniOn Power (India) Private Limited (OmniOn Power (India))	Marketing and technical services	100%	100%	100%	
"	OmniOn Power Mumbai Private Limited (OmniOn Power (Mumbai))	Manufacture	100%	100%	100%	
OmniOn Power (SG)	OmniOn Power (China) Co., Ltd. (OmniOn Power (China))	Product marketing and design services	100%	100%	100%	
OmniOn Power (MX) and OmniOn Overseas	OmniOn Power Matamoros, S.A. de C.V. (OmniOn power (Matamoros))	Manufacture	100%	100%	100%	

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

Note 2: Acsun was incorporated in the first quarter of 2023, the Company reduced its ownership in Acsun from 100% to 20% due to the subscription which was not in accordance with the original shareholding ratio, based on the resolution of the Board of Directors on August 8, 2023, it was not included in consolidated entities.

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ACBEL POLYTECH INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 3: On May 20, 2024, AcLeap's Board of Directors resolved to issue new shares as consideration for a share exchange with Acbel-SGP, thereby acquiring 100% ownership of Omonion Power. Moreover, on November 25, 2024, AcRise Power's Board of Directors resolved to issue new shares as consideration for a share exchange with Acbel-SGP, thereby increasing AcRise Power's ownership in AcLeap to 17%.

Note 4: SINO-Vietnam were incorporated in the second quarter of 2024.

Note 5: Target Gain had completed the liquidation procedure on April 11, 2024.

Note 6: On October 1, 2024, Acbel Polytech I.I. acquired a 4% equity interest in Power Station from non-controlling interests.

Note 7: OmniOn Power(CH) was incorporated in the third quarter of 2024.

Note 8: OmniOn Power(EU) was incorporated in the first quarter of 2025.

Note 9: The subsidiary is an immaterial subsidiary whose financial statements have not been reviewed.

(c) Income taxes

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

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

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

(d) Employee benefits

The pension cost in interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make 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.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2024.

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

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note (6) to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 1,938	1,959	2,543
Checking accounts and demand deposits	2,438,919	3,084,911	5,675,598
Time deposits	<u>4,117,492</u>	<u>3,958,699</u>	<u>1,837,713</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 6,558,349</u></u>	<u><u>7,045,569</u></u>	<u><u>7,515,854</u></u>

- (i) As of March 31, 2025, December 31 and March 31, 2024, time deposits with original maturity more than 3 months amounting to \$1,328,837, \$952,916 and \$1,109,265 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

	March 31, 2025	December 31, 2024	March 31, 2024
Current mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Foreign exchange swap contracts	\$ <u>-</u>	<u>340</u>	<u>215</u>
Non-current mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Convertible bonds-embedded derivatives	\$ 400	400	4,000
Non-derivative financial assets			
Limited partnership investment	<u>200,333</u>	<u>222,187</u>	<u>242,391</u>
	<u><u>\$ 200,733</u></u>	<u><u>222,587</u></u>	<u><u>246,391</u></u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Non-current financial liabilities at fair value through profit or loss:			
Convertible bonds-embedded derivatives	\$ <u><u>62,400</u></u>	<u><u>60,800</u></u>	<u><u>33,200</u></u>

The Group uses derivative financial instruments to hedge certain foreign exchange and interest rate risk exposures arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

December 31, 2024			
	Contract amount (in thousands)	Currency	Maturity dates
Financial assets:			
Forward exchange contracts			
– swap in CNY/swap out USD	USD <u><u>3,500</u></u>	USD to CNY	2025.3.10
March 31, 2024			
	Contract amount (in thousands)	Currency	Maturity date
Financial assets:			
Forward exchange contracts			
– swap in USD/swap out CNY	USD <u><u>1,300</u></u>	USD to CNY	2024.5.24

- (i) For the three months ended March 31, 2025 and 2024, the Group received from Zoyi Capital Fund II the refund of \$13,122 and 6,248, respectively, recognized as negative of non-current mandatorily measured at fair value through profit or loss, resulting in an investment gain of \$8,732 and 24,046, respectively, to be recognized as net gain or loss on financial assets (liabilities) at fair value through profit or loss.
- (ii) As of March 31, 2025, December 31 and March 31, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Equity investments at fair value through other comprehensive income:			
Common stock unlisted on domestic markets	\$ 1,000	1,000	1,000
Common stock listed on foreign markets	<u>55,178</u>	<u>82,415</u>	<u>155,916</u>
Total	\$ <u><u>56,178</u></u>	<u><u>83,415</u></u>	<u><u>156,916</u></u>

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

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.

During the three months ended March 31, 2025, the Group disposed of some its equity instruments at a fair value of \$7,374, resulting in an accumulated after-tax loss of \$54,620, which was reclassified from other equity to retained earnings. There were no such transaction in 2024.

For credit risk and market risk, please refer to note (6)(ab).

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

(d) Financial assets measured at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ 1,191,564	907,929	1,109,265
Non-current	137,273	44,987	-
	\$ 1,328,837	952,916	1,109,265

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 1.35%~4.40% and 1.80%~5.85% during the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, December 31 and March 31, 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.

(i) The fair value of the hedged item and the derivative financial instruments designated as hedging instruments were as follows:

Hedged item	Derivative financial instrument	Designated hedging Instruments Fair value		
		March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable in foreign currency -USD	Forward exchange sold	\$ -	(3,040)	(2,948)

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

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

December 31, 2024			
	Contract amount (in thousands)	Currency	Maturity
Hedging financial liabilities:			
Forward exchange sold	USD <u><u>3,000</u></u>	USD to CNY	2025.1.24~2025.3.25
March 31, 2024			
	Contract amount (in thousands)	Currency	Maturity
Hedging financial liabilities:			
Forward exchange sold	USD <u><u>4,500</u></u>	USD to CNY	2024.4.25~2024.6.25

- (iii) The gains (losses) from the hedging instruments were \$3,040 and \$(5,885) for the three months ended March 31, 2025 and 2024, respectively. The gains (losses) from the hedged item attributable to the hedged risk were \$(3,040) and \$5,885 for the three months ended March 31, 2025 and 2024, respectively.

- (f) Notes and accounts receivable (including related parties)

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable from operating activities	\$ 236,717	229,811	45,360
Accounts receivable (including related parties)			
– measured at amortized cost	<u>7,416,795</u>	<u>8,952,121</u>	<u>7,090,246</u>
	7,653,512	9,181,932	7,135,606
Less: loss allowance	<u>(44,715)</u>	<u>(35,764)</u>	<u>(21,250)</u>
	<u><u>\$ 7,608,797</u></u>	<u><u>9,146,168</u></u>	<u><u>7,114,356</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.

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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of 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:

March 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 7,020,446	-%	1,756
1 to 90 days past due	425,389	0.7%	3,037
91 to 180 days past due	143,941	5.9%	8,430
181 to 270 days past due	29,254	13.2%	3,874
271 to 365 days past due	18,101	62.1%	11,237
More than 365 days past due	16,381	100.0%	16,381
Total	<u>\$ 7,653,512</u>		<u>44,715</u>

December 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
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
Total	<u>\$ 9,181,932</u>		<u>35,764</u>

March 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 6,577,064	0.1%	4,125
1 to 90 days past due	519,906	0.8%	4,082
91 to 180 days past due	24,042	11.5%	2,767
181 to 270 days past due	-	-%	-
271 to 365 days past due	10,778	59.9%	6,460
More than 365 days past due	3,816	100.0%	3,816
Total	<u>\$ 7,135,606</u>		<u>21,250</u>

(Continued)

ACBEL POLYTECH INC. AND SUBSIDIARIES
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The movements in the allowance for notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2025	2024
Balance on January 1	\$ 35,764	22,278
Impairment loss recognized	8,684	115
Accounts written off	(395)	(1,869)
Foreign exchange gains (losses)	662	726
Balance on March 31	<u><u>\$ 44,715</u></u>	<u><u>21,250</u></u>

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:

March 31, 2025						
Purchaser	Amount Factored	Amount Advanced	Collateral	Amount Recognized in Other Receivables	Interest Rate	Others
Bank	<u>\$ 1,009</u>	<u>-</u>	-	<u>1,009</u>	-	None
December 31, 2024						
Purchaser	Amount Factored	Amount Advanced	Collateral	Amount Recognized in Other Receivables	Interest Rate	Others
Bank	<u>\$ 4,637</u>	<u>-</u>	-	<u>4,637</u>	-	None
March 31, 2024						
Purchaser	Amount Factored	Amount Advanced	Collateral	Amount Recognized in Other Receivables	Interest Rate	Others
Bank	<u>\$ 12,264</u>	<u>-</u>	-	<u>12,264</u>	-	None

As of March 31, 2025, December 31 and March 31, 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
Notes to the Consolidated Financial Statements

(g) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 3,701,522	3,732,797	4,160,787
Work in progress	539,815	456,797	463,202
Finished goods	2,082,372	2,618,338	2,175,794
Inventories in transit	479,545	388,623	416,319
	<u><u>\$ 6,803,254</u></u>	<u><u>7,196,555</u></u>	<u><u>7,216,102</u></u>

The details for the cost of sales were as follows:

	For the three months ended March 31,	
	2025	2024
Cost of sales and expenses	\$ 5,251,100	5,416,111
Write-down of inventories	17,106	42,601
Unallocated production overheads	13,306	10,017
Loss on retirement of inventories	15,207	30,937
	<u><u>\$ 5,296,719</u></u>	<u><u>5,499,666</u></u>

As of March 31, 2025, December 31 and March 31, 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.

(i) Investments accounted for using the equity method

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

	March 31, 2025	December 31, 2024	March 31, 2024
Associates - investments accounted for using the equity method	<u><u>\$ 2,204,583</u></u>	<u><u>2,204,913</u></u>	<u><u>2,201,537</u></u>
	For the three months ended March 31,		
	2025	2024	
Attributable to the Group:			
Profit (loss)		\$ (330)	2,103
Comprehensive income		<u><u>\$ (330)</u></u>	<u><u>2,103</u></u>

(Continued)

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

- (i) 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 further details.
 - (ii) As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any investment accounted for using equity method as collateral for its loans.
 - (iii) There are no significant restrictions on the ability of the associates to transfer funds to the Group.
 - (iv) The investments by using the equity method, and the share of profit or loss and other comprehensive income were calculated based on the financial statements that have not been reviewed.
- (j) Loss control of subsidiaries

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 amount 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.

- (i) As the date of loss of control, the book value of Sumray's assets and liabilities are as follows:

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	(617,956)
The book value of the net assets of the previous subsidiary	<u><u>\$ 324,962</u></u>

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

(k) Property, plant and equipment

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

	Land	Buildings and construction	Machinery and equipment	Testing equipment and other facilities	Construction in progress and prepayments for equipment	Total
Cost or deemed cost:						
Balance on January 1, 2025	\$ 820,489	4,477,562	6,761,995	3,641,678	232,807	15,934,531
Additions	-	144	11,608	31,988	92,022	135,762
Reclassifications	-	1,161	47,070	7,727	(57,971)	(2,013)
Disposal and derecognitions	-	(1,630)	(47,832)	(41,720)	-	(91,182)
Effect of movements in exchange rates	2,298	29,235	46,311	7,514	2,617	87,975
Balance on March 31, 2025	<u>\$ 822,787</u>	<u>4,506,472</u>	<u>6,819,152</u>	<u>3,647,187</u>	<u>269,475</u>	<u>16,065,073</u>
Balance on January 1, 2024	\$ 818,902	4,304,532	5,189,556	3,343,187	2,293,363	15,949,540
Additions	-	8,381	266,724	8,533	1,809,492	2,093,130
Reclassifications	-	48,299	1,119,387	116,214	(1,289,982)	(6,082)
Disposal and derecognitions	-	-	(21,011)	(8,403)	-	(29,414)
Effect of movements in exchange rates	2,107	51,397	89,400	15,752	14,185	172,841
Balance on March 31, 2024	<u>\$ 821,009</u>	<u>4,412,609</u>	<u>6,644,056</u>	<u>3,475,283</u>	<u>2,827,058</u>	<u>18,180,015</u>
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	1,377,657	3,472,655	2,714,679	-	7,564,991
Depreciation	-	43,620	112,881	87,841	-	244,342
Disposals and derecognitions	-	(1,630)	(41,333)	(36,964)	-	(79,927)
Effect of movements in exchange rates	-	14,022	30,258	4,783	-	49,063
Balance on March 31, 2025	<u>\$ -</u>	<u>1,433,669</u>	<u>3,574,461</u>	<u>2,770,339</u>	<u>-</u>	<u>7,778,469</u>
Balance on January 1, 2024	\$ -	1,167,546	3,373,541	2,331,466	-	6,872,553
Depreciation	-	41,807	101,834	84,558	-	228,199
Reclassifications	-	-	(111,455)	112,651	-	1,196
Disposals and derecognitions	-	-	(21,011)	(8,403)	-	(29,414)
Effect of movements in exchange rates	-	25,256	56,028	10,906	-	92,190
Balance on March 31, 2024	<u>\$ -</u>	<u>1,234,609</u>	<u>3,398,937</u>	<u>2,531,178</u>	<u>-</u>	<u>7,164,724</u>
Carrying amounts:						
Balance on January 1, 2025	<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>
Balance on March 31, 2025	<u>\$ 822,787</u>	<u>3,072,803</u>	<u>3,244,691</u>	<u>876,848</u>	<u>269,475</u>	<u>8,286,604</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 March 31, 2024	<u>\$ 821,009</u>	<u>3,178,000</u>	<u>3,245,119</u>	<u>944,105</u>	<u>2,827,058</u>	<u>11,015,291</u>

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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As of March 31, 2024, the Group's property, plant and equipment was not provided as collaterals for credit lines of borrowings.

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

On May 7, 2024, the Board of Directors resolved to dispose the Company's entire shares in its subsidiary, Sumray, resulting in the property, plant, and equipment of \$2,802,304, to be reclassified as assets held for sale. Please refer to note 6(h) of the consolidated financial statements for the year ended December 31, 2024. The Company sold its subsidiary, Sumray in the first quarter of 2025, please refer to note(6)(j) for details.

(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>
Cost:					
Balance on January 1, 2025	\$ 164,450	1,489,276	63,404	32,840	1,749,970
Additions	914	23,372	12,545	16,559	53,390
Less	-	(5,035)	(669)	-	(5,704)
Effect of movements in exchange rates	1,339	10,002	718	765	12,824
Balance on March 31, 2025	<u>\$ 166,703</u>	<u>1,517,615</u>	<u>75,998</u>	<u>50,164</u>	<u>1,810,480</u>
Balance on January 1, 2024	\$ 122,288	1,520,554	62,787	-	1,705,629
Additions	64,799	13,114	375	5,553	83,841
Less	-	(8,174)	(371)	-	(8,545)
Effect of movements in exchange rates	2,741	24,269	1,879	-	28,889
Balance on March 31, 2024	<u>\$ 189,828</u>	<u>1,549,763</u>	<u>64,670</u>	<u>5,553</u>	<u>1,809,814</u>
Accumulated depreciation and impairment loss:					
Balance on January 1, 2025	\$ 19,699	619,707	32,688	2,805	674,899
Depreciation	1,273	76,606	4,908	3,525	86,312
Less	-	(839)	(562)	-	(1,401)
Effect of movements in exchange rates	1,149	4,540	311	72	6,072
Balance on March 31, 2025	<u>\$ 22,121</u>	<u>700,014</u>	<u>37,345</u>	<u>6,402</u>	<u>765,882</u>
Balance on January 1, 2024	\$ 10,433	577,873	20,808	-	609,114
Depreciation	1,430	74,343	6,536	231	82,540
Less	-	(6,981)	(371)	-	(7,352)
Effect of movements in exchange rates	199	6,430	525	-	7,154
Balance on March 31, 2024	<u>\$ 12,062</u>	<u>651,665</u>	<u>27,498</u>	<u>231</u>	<u>691,456</u>
Carrying amount:					
Balance on January 1, 2025	<u>\$ 144,751</u>	<u>869,569</u>	<u>30,716</u>	<u>30,035</u>	<u>1,075,071</u>
Balance on March 31, 2025	<u>\$ 144,582</u>	<u>817,601</u>	<u>38,653</u>	<u>43,762</u>	<u>1,044,598</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 March 31, 2024	<u>\$ 177,766</u>	<u>898,098</u>	<u>37,172</u>	<u>5,322</u>	<u>1,118,358</u>

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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In order to meet operational development, the Group entered into a lease agreement with a nonrelated party for its office building located at Beitou, Taipei. with a lease term of 9 years on December 23, 2019.

On May 7, 2024, the Board of Directors resolved to dispose the Company's entire shares in its subsidiary, Sumray, resulting in the right-of-use assets of \$30,335, to be reclassified to assets held for sale. Please refer to note 6(h) of the consolidated financial statements for the year ended December 31, 2024. The Company sold its subsidiary, Sumray in the first quarter of 2025, please refer to note(6)(j) for details.

(m) Intangible assets

	<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>
Carrying value:						
Balance at January 1, 2025	\$ 4,981,830	2,078,006	892,714	1,522,901	86,864	9,562,315
Balance at March 31, 2025	\$ 4,981,830	2,034,692	892,714	1,478,110	83,274	9,470,620
Balance at January 1, 2024 (Restated)	\$ 4,981,830	2,254,698	892,714	1,702,066	93,310	9,924,618
Balance at March 31, 2024 (Restated)	\$ 4,981,830	2,207,955	892,714	1,657,275	95,267	9,835,041

- (i) There were no significant additions, disposals, recognitions or reversals of impairment losses of intangible assets for the three months ended March 31, 2025 and 2024. Information on amortization for the period please refer to note 12(a). For other related information, please refer to note 6(n) of the consolidated financial statements for the year ended December 31, 2024.
- (ii) As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any intangible assets as collateral for its loans.

(n) Short-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured bank loans	\$ 4,339,174	4,548,512	4,629,812
Unused short-term credit lines	\$ 13,703,360	13,455,336	14,232,380
Range of interest rates	1.85%~6.25%	1.81%~6.45%	1.69%~6.93%

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

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

(o) Accrued expenses and other payables

The accrued expenses and other payables were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024 (Restated)
Dividends payable	\$ 515,864	75,421	547,290
Wages and salaries payable	608,861	880,824	711,786
Payables for equipment	183,254	195,911	257,380
Withholding Tax Payable	452,821	398,612	-
Income tax payable	178,973	301,122	192,795
Payables for remuneration due to employees and directors	14,652	33,153	25,287
Sales Tax Payable	196,603	240,439	262,756
Others	1,006,784	1,029,187	831,203
	<u>\$ 3,157,812</u>	<u>3,154,669</u>	<u>2,828,497</u>

(p) Other current liabilities

The other current liabilities were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current refund liabilities	\$ 563,920	669,297	673,408
Provision for warranties	134,914	131,811	123,541
Employee benefit liabilities	72,023	70,644	69,700
Current contract liabilities	364,597	488,308	206,251
Others	308,203	313,218	384,425
Total	<u>\$ 1,443,657</u>	<u>1,673,278</u>	<u>1,457,325</u>

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	\$ 2,161,009	2,268,843	5,505,158
Secured bank loans	1,295,324	1,306,390	223,797
Less: current portion	586,289	555,524	351,998
Total	<u>\$ 2,870,044</u>	<u>3,019,709</u>	<u>5,376,957</u>
Unused long-term credit line	<u>\$ 4,846,027</u>	<u>4,922,665</u>	<u>4,759,453</u>
Range of interest rates	<u>1.355%~6.50%</u>	<u>1.355%~7.09%</u>	<u>1.355%~6.50%</u>

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

- (i) Please refer to note (6)(ab) for the interest risk and liquidity risk information of the Group.
 - (ii) As of March 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 March 31, 2024, the Group did not provide any assets as collaterals for its long-term borrowings.
 - (iv) As of March 31, 2025, and December 31, 2024, the Group pledged part of its property, plant and equipment as collaterals for its long-term borrowings. Please refer to note (8).
 - (v) 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(af) of the consolidated financial statements for the year ended December 31, 2024 for details. The Company sold its subsidiary, Sumray in the first quarter of 2025, please refer to note(6)(j) for details.
- (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:

	March 31, 2025	December 31, 2024	March 31, 2024
Total convertible corporate bonds issued	\$ 4,000,000	4,000,000	4,000,000
Unamortized discounts on bonds payable	(210,491)	(226,577)	(274,656)
Balance of bonds payable as of the reporting date	<u><u>\$ 3,789,509</u></u>	<u><u>3,773,423</u></u>	<u><u>3,725,344</u></u>
Embedded derivatives – call options (recorded as financial assets at fair value through profit or loss – non-current)	<u><u>\$ 400</u></u>	<u><u>400</u></u>	<u><u>4,000</u></u>
Embedded derivatives – put options (recorded as financial liabilities at fair value through profit or loss – non-current)	<u><u>\$ 62,400</u></u>	<u><u>60,800</u></u>	<u><u>33,200</u></u>
Equity component – conversion options (recorded as capital surplus)	<u><u>\$ 347,756</u></u>	<u><u>347,756</u></u>	<u><u>347,756</u></u>

(Continued)

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

	For the three months ended March 31,	
	2025	2024
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)	\$ <u>(1,600)</u>	<u>(7,200)</u>
Interest expenses	\$ <u>(16,086)</u>	<u>(15,814)</u>

There were no significant changes on the second unsecured convertible bonds for the three months ended March 31, 2025. Please refer to note 6(s) to the 2024 annual consolidated financial statements for other related information.

(s) Lease liabilities

The details of lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>324,180</u>	<u>304,862</u>	<u>308,665</u>
Non-current	\$ <u>645,905</u>	<u>699,066</u>	<u>741,558</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest on lease liabilities	\$ <u>7,798</u>	<u>7,197</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>10,235</u>	<u>2,385</u>
Expenses relating to short-term leases	\$ <u>5,643</u>	<u>4,730</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>3,927</u>	<u>21,233</u>

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>116,116</u>	<u>84,870</u>

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

(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 20 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 with lease terms of 2 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

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

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

	For the three months ended	
	March 31,	
	2025	2024
The Group	<u>\$ 7,508</u>	<u>7,147</u>

(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.

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

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
The Group	\$ 17,307	17,425

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

	For the three months ended March 31,	
	2025	2024
The Group	\$ 104,534	80,617

(u) Income taxes

- (i) Income tax expense

The details of income tax expense were as follows:

	For the three months ended March 31,	
	2025	2024
Current and deferred tax expense	54,286	100,240

- (ii) The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended March 31,	
	2025	2024
Items that may not be reclassified subsequently to profit or loss:		
Unrealized gain (losses) from financial instrument measured at fair value through other comprehensive income	\$ (3,033)	(9,311)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	-	-

- (iii) Assessment of tax

The tax returns for the years through 2022 of the Company, AcGile, AcLeap Power, AcTek, AcRay, AcTel Power and Sumray were assessed by the National Taxation Bureau of Taipei, Ministry of Finance.

(Continued)

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

(v) Capital and other equities

As of March 31, 2025, December 31 and March 31, 2024, the authorized common stocks of the Company amounted to \$15,000,000 with a par value of \$10 per share, of which 858,553 thousand, 858,737 thousand and 861,626 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for the three months ended March 31, 2025 and 2024 were as follows:

	(in thousands of shares)	
	For the three months ended March 31,	
	2025	2024
Balance on January 1	858,737	862,119
Cancellation of employee restricted stock	(184)	(493)
Balance on March 31	<u>858,553</u>	<u>861,626</u>

In August, 2022, the Company issued 9,670 thousand restricted stocks at zero cost, of which, 184 thousand and 493 thousand shares were cancelled for the three months ended March 31, 2025 and 2024 due to failure of the employees meeting their vesting requirements. The remaining 84 thousand shares have not been registered for change as of the reporting date.

(i) Capital surplus

The details of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$ 9,582,900	9,754,627	9,754,627
Difference between consideration and carrying amount of subsidiaries	50	50	50
Changes in equity of associates accounted for using equity method	42,918	42,918	39,829
Gain on disposal of assets	1,371	1,371	1,371
Employee stock options	64,407	64,407	64,407
Expired employee stock options	5,868	5,868	5,868
Donation from shareholders	4,599	4,599	4,599
Convertible bonds — conversion options	347,756	347,756	347,756
Restricted stock for employees	-	-	119,486
	<u>\$ 10,049,869</u>	<u>10,221,596</u>	<u>10,337,993</u>

On March 12, 2025, the Company's Board resolved to distribute the cash dividends of \$171,727 from capital surplus, at TWD 0.2 per share. Related information shall be inquired at the Market Observation Post System website.

(Continued)

ACBEL POLYTECH INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Retained Earning

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.

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:

(Continued)

ACBEL POLYTECH INC. AND SUBSIDIARIES
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	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Cash dividends distributed to ordinary shareholders	<u>\$ 0.3</u>	<u>257,591</u>	<u>0.5</u>	<u>430,930</u>
(iii) Other equity (net taxes)				
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Total
Balance on January 1, 2025	\$ 364,444	(259,594)	(27,080)	77,770
Exchange differences on foreign operations	140,540	-	-	140,540
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(16,829)	-	(16,829)
Accumulated gain or loss on disposal of investments in equity instruments designated at fair value through other comprehensive income are transferred to retained earnings	-	54,620	-	54,620
Compensation cost of share-based payment transaction	-	-	1,840	1,840
Balance on March 31, 2025	<u>\$ 504,984</u>	<u>(221,803)</u>	<u>(25,240)</u>	<u>257,941</u>
Balance on January 1, 2024	\$ (105,099)	(162,208)	(139,472)	(406,779)
Exchange differences on foreign operations	320,036	-	-	320,036
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(43,163)	-	(43,163)
Compensation cost of share- based payment transaction	-	-	(53,444)	(53,444)
Cancelled restricted stock for employees	-	-	15,471	15,471
Balance on March 31, 2024	<u>\$ 214,937</u>	<u>(205,371)</u>	<u>(177,445)</u>	<u>(167,879)</u>

(Continued)

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

(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 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.

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

(in thousands of shares)

	For the three months ended	
	March 31,	
	2025	2024
Outstanding shares on January 1	2,708	6,090
Cancelled during the period	(184)	(493)
Outstanding shares on March 31	<u>2,524</u>	<u>5,597</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 \$25,240 and \$177,445 were recognized under equity as of March 31, 2025 and 2024, respectively.

The Company reversed the unearned compensation costs of \$53,444 due to the failure to meet the terms of the employee evaluation for the three months ended March 31, 2024.

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

(x) Earnings per share

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

	For the three months ended March 31,	
	2025	2024
Basic earnings per share		
Loss attributable to continuing operations of the Company	\$ (50,520)	(79,959)
Profit (Loss) attributable to discontinued operations of the Company	5,965	(1,456)
Loss attributable to ordinary shareholders of the Company	<u>\$ (44,555)</u>	<u>(81,415)</u>
Weighted-average number of ordinary shares (in thousands)	<u>856,029</u>	<u>856,029</u>
Earnings (Loss) per Share – Continuing operations	(0.06)	(0.10)
Earnings (Loss) per Share – Discontinuing operations	0.01	-
Basic earnings (loss) per share	<u>\$ (0.05)</u>	<u>0.10</u>

Note: Due to the net loss after tax for the three months ended March 31, 2025 and 2024, all potential common shares of the Group were anti-dilutive.

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2025	2024
Primary geographical markets:		
Mainland China	\$ 1,402,499	1,613,988
USA	3,364,725	2,979,465
Taiwan	1,096,708	1,087,873
Others	<u>1,254,493</u>	<u>1,503,575</u>
	<u>\$ 7,118,425</u>	<u>7,184,901</u>
Major products/services line		
Power supplies	\$ 6,695,772	6,500,764
Metal parts and others	<u>422,653</u>	<u>684,137</u>
	<u>\$ 7,118,425</u>	<u>7,184,901</u>

(Continued)

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

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Notes and accounts receivable (including related parties)	\$ 7,653,512	9,181,932	7,135,606
Less: allowance for impairment	<u>(44,715)</u>	<u>(35,764)</u>	<u>(21,250)</u>
Total	<u>\$ 7,608,797</u>	<u>9,146,168</u>	<u>7,114,356</u>
Contract liabilities	<u>\$ 364,597</u>	<u>488,308</u>	<u>206,251</u>

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

The amount of revenue recognized for the three months ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$236,408 and \$411,929, 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

According to the Articles of Incorporation, the Company should contribute no less than 2% of the profit as employee remuneration and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The aforementioned profit for the year is the earnings before tax, excluding directors' remuneration.

The remuneration to employees may be distributed in stocks or in cash and may be distributed to such targets including the employees of the Company's subordinate companies who meet certain requirements.

The Company incurred a net loss before tax in the first quarter of 2025 and 2024; therefore, no employee and director remuneration was accrued.

(aa) Other income and losses

	For the three months ended March 31,	
	2025	2024
Gains on disposal of investments	\$ 645	8,032
Cost of related acquisition	-	(113,523)
Others	<u>4,832</u>	<u>1,180</u>
	<u>\$ 5,477</u>	<u>(104,311)</u>

(Continued)

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

(ab) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note (6)(ac) of the consolidated financial statements for the year ended December 31, 2024.

(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:

	For the three months ended March 31,	
	2025	2024
Balance on January 1	\$ 189,976	179,130
Impairment loss recognized (reversal of impairment loss)	(5)	10
Foreign exchange gains (losses)	127	133
Balance on March 31	<u>\$ 190,098</u>	<u>179,273</u>

(Continued)

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

(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>
March 31, 2025					
Non-derivative financial liabilities:					
Bank loans	\$ 7,795,507	(8,117,029)	(5,045,962)	(601,877)	(2,469,190)
Notes and accounts payable (including related parties)	4,601,946	(4,601,946)	(4,601,946)	-	-
Accrued expenses and other payables	2,978,839	(2,978,839)	(2,978,839)	-	-
Lease liabilities	970,085	(1,039,595)	(357,399)	(261,006)	(421,190)
Bonds payable	3,789,509	(4,000,000)	-	-	(4,000,000)
Guarantee deposits received	22,901	(22,901)	-	-	(22,901)
	<u>\$ 20,158,787</u>	<u>(20,760,310)</u>	<u>(12,984,146)</u>	<u>(862,883)</u>	<u>(6,913,281)</u>
December 31, 2024					
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)
Derivative financial liabilities:					
Exchange contracts not 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>

(Continued)

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
March 31, 2024					
Non-derivative financial liabilities:					
Bank loans	\$ 10,358,767	(10,547,352)	(4,913,331)	(2,639,055)	(2,994,966)
Notes and accounts payable (including related parties)	5,200,767	(5,200,767)	(5,200,767)	-	-
Accrued expenses and other payables	2,635,702	(2,635,702)	(2,635,702)	-	-
Lease liabilities	1,050,223	(1,104,495)	(311,354)	(216,183)	(576,958)
Bonds payable	3,725,344	(4,000,000)	-	-	(4,000,000)
Guarantee deposits received	628,557	(628,557)	-	-	(628,557)
Forward exchange contracts not used for hedging:					
Outflow	2,948	(143,870)	(143,870)	-	-
Inflow	-	140,355	140,355	-	-
	<u>\$ 23,602,308</u>	<u>(24,120,388)</u>	<u>(13,064,669)</u>	<u>(2,855,238)</u>	<u>(8,200,481)</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>March 31, 2025</u>			<u>December 31, 2024</u>			<u>March 31, 2024</u>		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD to NTD	\$ 149,926	33.2348	4,982,761	182,045	32.8373	5,977,866	177,341	31.97105	5,669,778
USD to CNY	37,225	7.26329	1,237,165	32,252	7.2993	1,059,068	35,946	7.22231	1,149,232
CNY to NTD	377,725	4.57572	1,728,364	445,832	4.49869	2,005,659	378,475	4.42671	1,675,399
Non-monetary items									
USD to NTD	1,660	33.2348	55,178	2,510	32.8373	82,415	4,877	31.97105	155,923
Financial liabilities									
Monetary items									
USD to NTD	78,001	33.2348	2,592,348	113,182	32.8373	3,716,591	94,303	31.97105	3,014,966
USD to CNY	8,857	7.26329	294,360	8,380	7.2993	275,176	7,149	7.22231	228,561
CNY to NTD	151,450	4.57572	692,993	237,986	4.49869	1,070,625	193,984	4.42671	858,711

(Continued)

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

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 three months ended March 31, 2025 and 2024 would have affected the net profit before tax as followings:

	For the three months ended March 31,	
	2025	2024
USD (against the NTD)		
Strengthening 5%	\$ 119,521	132,741
Weakening 5%	(119,521)	(132,741)
USD (against the CNY)		
Strengthening 5%	\$ 47,140	46,034
Weakening 5%	(47,140)	(46,034)
CNY (against the NTD)		
Strengthening 5%	\$ 51,769	40,834
Weakening 5%	(51,769)	(40,834)

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 three months ended March 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$54,555 and \$178,276, respectively.

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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:

	Carrying amount	
	March 31, 2025	March 31, 2024
Fixed rate instruments:		
Financial assets	<u>\$ 5,446,329</u>	<u>2,946,978</u>
Financial liabilities	<u>\$ 4,315,174</u>	<u>4,629,812</u>
Variable rate instruments:		
Financial assets	<u>\$ 2,034,623</u>	<u>5,449,515</u>
Financial liabilities	<u>\$ 3,480,333</u>	<u>5,728,955</u>

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 three months ended March 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.

	For the three months ended March 31,	
	2025	2024
0.25% increase	\$ (904)	(175)
0.25% decrease	904	175

(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:

(Continued)

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

March 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	\$ 400	-	-	400	400
Mandatorily measured at fair value through profit or loss-limited partnership	<u>200,333</u>	-	-	200,333	200,333
Subtotal	<u>200,733</u>				
Financial assets at fair value through other comprehensive income	<u>56,178</u>	55,178	-	1,000	56,178
Financial assets at amortized cost					
Cash and cash equivalents	\$ 6,558,349	-	-	-	-
Time deposits (current and non-current)	1,328,837	-	-	-	-
Notes receivable	236,717	-	-	-	-
Accounts receivable (including related parties)	7,372,080	-	-	-	-
Other receivables	102,646	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	<u>177,329</u>	-	-	-	-
Subtotal	<u>15,775,958</u>				
Total	<u>\$ 16,032,869</u>				
Financial liabilities at fair value through profit or loss					
Convertible bonds - embedded derivatives	\$ <u>62,400</u>	-	-	62,400	62,400
Financial liabilities at amortized cost					
Bank loans	7,795,507	-	-	-	-
Notes and accounts payable (including related parties)	4,601,946	-	-	-	-
Accrued expenses and other payables	2,978,839	-	-	-	-
Lease liabilities	970,085	-	-	-	-
Bonds payable	3,789,509	-	-	-	-
Guarantee deposits received (recognized as other non-current liabilities)	<u>22,901</u>	-	-	-	-
Subtotal	<u>20,158,787</u>				
Total	<u>\$ 20,221,187</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
Mandatorily measured at fair value through profit or loss - limited partnership	<u>222,187</u>	-	-	222,187	222,187
Subtotal	<u>222,587</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><u>\$ 17,774,285</u></u>				
Financial liabilities at fair value through profit or loss					
Convertible bonds - embedded derivatives	\$ <u>60,800</u>	-	-	60,800	60,800
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	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><u>\$ 22,028,496</u></u>				

(Continued)

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

March 31, 2024					
	<u>Book value</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through profit or loss					
Derivative financial assets-convertible bonds-embedded derivatives	\$ 4,000	-	-	4,000	4,000
Derivative financial assets-foreign exchange swap contracts	215	-	215	-	215
Mandatorily measured at fair value through profit or loss - limited partnership	<u>242,391</u>	-	-	242,391	242,391
Subtotal	<u>246,606</u>				
Financial assets at fair value through other comprehensive income	<u>156,916</u>	155,916	-	1,000	156,916
Financial assets at amortized cost					
Cash and cash equivalents	7,515,854	-	-	-	-
Time deposits (current and non-current)	1,109,265	-	-	-	-
Notes receivable	45,360	-	-	-	-
Accounts receivable (including related parties)	7,068,996	-	-	-	-
Other receivables	377,479	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	<u>182,992</u>	-	-	-	-
Subtotal	<u>16,299,946</u>				
Total	<u>\$ 16,703,468</u>				
Financial liabilities at fair value through profit or loss					
Convertible bonds - embedded derivatives	\$ <u>33,200</u>	-	-	33,200	33,200
Financial liabilities for hedging	\$ <u>2,948</u>	-	2,948	-	2,948
Financial liabilities at amortized cost					
Bank loans	10,358,767	-	-	-	-
Notes and accounts payable (including related parties)	5,200,767	-	-	-	-
Accrued expenses and other payables	2,635,702	-	-	-	-
Lease liabilities	1,050,223	-	-	-	-
Bonds payable	3,725,344	-	-	-	-
Guarantee deposits received (recognized as other non-current liabilities)	<u>628,557</u>	-	-	-	-
Subtotal	<u>23,599,360</u>				
Total	<u>\$ 23,635,508</u>				

(Continued)

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 during January 1 to March 31 in 2025 and 2024.

5) Reconciliation of Level 3 fair values

	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, 2025	\$ 222,187	400	(60,800)	1,000
Total gains and losses recognized:				
In profit or loss	(8,732)	-	(1,600)	-
In other comprehensive income	-	-	-	-
Proceeds from capital reduction of investment	(13,122)	-	-	-
Ending Balance, March 31, 2025	<u>\$ 200,333</u>	<u>400</u>	<u>(62,400)</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	24,046	(2,000)	(5,200)	-
In other comprehensive income	-	-	-	-
Proceeds from capital reduction of investment	(6,248)	-	-	-
Ending balance, March 31, 2024	<u>\$ 242,391</u>	<u>4,000</u>	<u>(33,200)</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 (32.61%, 32.76% and 38.46% on March 31, 2025, December 31 and March 31, 2024)	The higher the volatility is, the higher the fair value will be.

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

- 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>
March 31, 2025				
Financial assets and liabilities at fair value through profit or loss-call and put options of convertible bonds	Volatility	5 %	10,000	(14,400)
December 31, 2024				
Financial assets and liabilities at fair value through profit or loss-call and put options of convertible bonds	Volatility	5 %	8,400	(12,000)
March 31, 2024				
Financial assets and liabilities at fair value through profit or loss-call and put options of convertible bonds	Volatility	5 %	2,400	(2,800)

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

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(ad) of the consolidated financial statements for the year ended December 31, 2024.

(ad) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note (6)(ae) to the consolidated financial statements for the year ended December 31, 2024 for further details.

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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 three months ended March 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:

	Non-cash changes							March 31, 2025
	January 1, 2025	Cash flows	Acquisition	Foreign exchange movement	Acquisition through business combination	Derecognize the loss of control of subsidiary	Other	
Long-term borrowings (including current portion)	\$ 3,575,233	(121,779)	-	2,879	-	-	-	3,456,333
Short-term borrowings	4,548,512	(211,201)	-	1,863	-	-	-	4,339,174
Lease liabilities	1,003,928	(88,513)	49,087	5,583	-	-	-	970,085
Bonds payable	3,773,423	-	-	-	-	-	16,086	3,789,509
Guarantee deposits received	22,901	-	-	-	-	-	-	22,901
Total liabilities from financing activities	<u>\$ 12,923,997</u>	<u>(421,493)</u>	<u>49,087</u>	<u>10,325</u>	<u>-</u>	<u>-</u>	<u>16,086</u>	<u>12,578,002</u>

	Non-cash changes							March 31, 2024
	January 1, 2024	Cash flows	Acquisition	Foreign exchange movement	Reclassification to liabilities held-for-sale		Other	
Long-term borrowings (including current portion)	\$ 4,258,554	1,461,798	-	8,603	-	-	-	5,728,955
Short-term borrowings	4,112,120	517,692	-	-	-	-	-	4,629,812
Lease liabilities	1,033,867	(49,325)	82,316	(16,635)	-	-	-	1,050,223
Bonds payable	3,709,530	-	-	-	-	-	15,814	3,725,344
Guarantee deposits received	320,132	308,425	-	-	-	-	-	628,557
Total liabilities from financing activities	<u>\$ 13,434,203</u>	<u>2,238,590</u>	<u>82,316</u>	<u>(8,032)</u>	<u>-</u>	<u>-</u>	<u>15,814</u>	<u>15,762,891</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

(Continued)

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

Names and relationship with related parties	Relationship with the Group
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 Networking (Kunshan) Co., Ltd.	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
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:

	For the three months ended March 31,	
	2025	2024
Other related parties — sales revenue	\$ 352,219	306,544
Other related parties — service revenue	13,383	13,381
	\$ 365,602	319,925

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.

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

(ii) Purchases

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

	For the three months ended	
	March 31,	
	2025	2024
Other related parties	<u>\$ 9,983</u>	<u>19,392</u>

(iii) Receivables from relates parties

The receivables due from related parties were as follows:

Account	Related party categories	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	Other related parties	<u>\$ 562,999</u>	<u>713,953</u>	<u>566,229</u>
Other receivables	Other related parties	<u>\$ -</u>	<u>-</u>	<u>13,944</u>

(iv) Payables to related parities

The payables to related parties were as follows:

Account	Related party categories	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable	Other related parties	<u>\$ 43,032</u>	<u>29,621</u>	<u>6,969</u>
Other payables	Other related parties	<u>\$ 126</u>	<u>126</u>	<u>999</u>

(v) Property transactions

- 1) For the year ended December 31, 2023, the Group purchased equipment amounting to \$35,653, from an entity (which the Group has significant influence on) and other related parties. As of March 31, 2025, December 31 and March 31, 2024, resulting in the related payables of \$2,430, \$2,482 and \$6,464, respectively, to be recognized as “other payables”.
- 2) 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).
- 3) For the three months ended March 31, 2024, the Group acquired right-of-use assets amounting to \$6,228, from an entity that has significant influence over the Group.

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 21,988	25,333
Post-employment benefits	331	377
Share-based payments	-	(13,043)
	\$ 22,319	12,667

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Assets	Pledged to secure	March 31, 2025	December 31, 2024	March 31, 2024
Guarantee deposits paid (recognized as other non-current assets)	Guarantee for import duty, performance bonds and lease plant for deposit, etc.	\$ 105,207	100,704	99,789
Property, plant and equipment	Long-term borrowings	1,323,201	1,340,843	-
		\$ 1,428,408	1,441,547	99,789

(9) Commitments and contingencies:

(a) Significant commitments unrecognized:

- (i) As of March 31, 2025, December 31 and March 31, 2024, the balances of the unpaid contract price on purchases of machinery and equipment from domestic and overseas suppliers which were not yet due and payable amounted to \$160,661, \$180,048 and \$195,190, respectively.
- (ii) As of March 31, 2025, December 31 and March 31, 2024, the balances of the unpaid contract price for energy construction which were not yet due and payable amounted to \$46,475, \$515,169 (of which, the amount of \$324,176 was recognized as disposal group held-for-sale) and \$941,637, respectively.

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

(iii) As of December 31, 2024 and 2023, the Group assigned the bank to offer the guarantee amounting to \$100,000, for solar power infrastructure construction contract.

(iv) As of March 31, 2025, December 31 and March 31, 2024, the Group opened letters of credit with banks for the purchase performance guarantee amounting to \$66,470, \$65,675 and \$127,884, 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

(12) Other:

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

	For the three months ended March 31,					
By function	2025			2024		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	437,062	896,660	1,333,722	466,103	827,875	1,293,978
Labor and health insurance	39,541	74,756	114,297	57,037	99,155	156,192
Pension	56,484	72,865	129,349	52,377	52,812	105,189
Remuneration of directors	-	6,278	6,278	-	7,044	7,044
Others	76,300	66,404	142,704	69,679	38,974	108,653
Depreciation (Note)	221,139	109,515	330,654	205,705	104,596	310,301
Amortization	1,600	94,355	95,955	1,016	97,944	98,960

Note: For the three months ended March 31, 2025 and 2024 the depreciation on right-of-use assets during construction period had been capitalized at \$197 and \$438.

(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.

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

The operating result and cash flows of the discontinued operation:

	For the three months ended March 31,	
	2025	2024
The operating result of discontinuing operation:		
Operating income	\$ 28,488	-
Operating costs	<u>(17,548)</u>	<u>-</u>
Gross income (loss)	10,940	-
Operating expenses	<u>(124)</u>	<u>(1,368)</u>
Net operating income (loss)	10,816	(1,368)
Non-operating income and expenses		
Other income and expenses	-	-
Interest expense	(3,523)	(191)
Interest revenue	<u>163</u>	<u>103</u>
	7,456	(1,456)
Income tax	<u>(1,491)</u>	<u>-</u>
Net Income	<u>\$ 5,965</u>	<u>(1,456)</u>
The cash flows of the discontinuing operation:		
Cash flow from operating activities	\$ 75,999	219,427
Cash flow from investing activities	(90,104)	(1,708,651)
Cash flow from financing activities	<u>(4,265)</u>	<u>1,429,073</u>
Net cash flow	<u>\$ (18,370)</u>	<u>(60,151)</u>

- (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.
- (d) The Group's operations were not affected by seasonality or cyclical factors.

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

(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 three months ended March 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 March 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.

(14) Segment information:

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:

	For the three months ended March 31, 2025			
	Power Supplies Segment	Metal parts & Others	Adjustment & Elimination	Total
Revenue				
Revenue from external customers	\$ 6,811,888	306,537	-	7,118,425
Revenue from segments	<u>2,262</u>	<u>20,925</u>	<u>(23,187)</u>	<u>-</u>
Total revenue	<u>\$ 6,814,150</u>	<u>327,462</u>	<u>(23,187)</u>	<u>7,118,425</u>
Reportable segment profit	<u>\$ (662)</u>	<u>3,214</u>	<u>-</u>	<u>2,552</u>

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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For the three months ended March 31, 2024				
	Power Supplies Segment	Metal parts & Others	Adjustment & Elimination	Total
Revenue				
Revenue from external customers	\$ 6,878,674	306,227	-	7,184,901
Revenue from segments	620	19,208	(19,828)	-
Total revenue	<u><u>\$ 6,879,294</u></u>	<u><u>325,435</u></u>	<u><u>(19,828)</u></u>	<u><u>7,184,901</u></u>
Reportable segment profit	<u><u>\$ (135)</u></u>	<u><u>22,684</u></u>	<u><u>-</u></u>	<u><u>22,549</u></u>

ACBEL POLYTECH INC.

Notes to the Financial Statements

Table 1 Loans to other parties
March 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 5)	Actual usage amount during the period (note 5)	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 and 5)	Maximum limit of fund financing (note 2, 3, 4 and 5)
													Item	Value		
0	The Company	Acbel-PHI	Other receivables related parties	Yes	265,878 (USD 8,000 thousand)	265,878 (USD 8,000 thousand)	265,878 (USD 8,000 thousand)	5.83%	Short-term financing	-	Business turnover	-		-	9,091,219	9,091,219
0	The Company	AcTek	Other receivables related parties	Yes	100,000	100,000	100,000	2.23244%~2.31853%	Short-term financing	-	Business turnover	-		-	9,091,219	9,091,219
0	The Company	AcTel Power	Other receivables related parties	Yes	50,000	50,000	50,000	2.32159%	Short-term financing	-	Business turnover	-		-	9,091,219	9,091,219
0	The Company	AcTek	Other receivables related parties	Yes	150,000	150,000	-	-	Short-term financing	-	Business turnover	-		-	9,091,219	9,091,219
1	SINO	Kanghua-Chongqing	Other receivables	Yes	68,636 (CNY 15,000 thousand)	68,636 (CNY 15,000 thousand)	54,909 (CNY 12,000 thousand)	3.5%	Short-term financing	-	Business turnover	-		-	1,381,526	1,381,526
1	SINO	SINO-Tongliang	Other receivables	Yes	228,786 (CNY 50,000 thousand)	228,786 (CNY 50,000 thousand)	45,757 (CNY 10,000 thousand)	3.1%	Short-term financing	-	Business turnover	-		-	1,381,526	1,381,526
2	OmniOn Power (Shanghai)	OmniOn Power (China)	Other receivables	Yes	457,572 (CNY 100,000 thousand)	457,572 (CNY 100,000 thousand)	362,306 (CNY 79,180 thousand)	2.83%	Short-term financing	-	Business turnover	-		-	1,694,809	1,694,809
3	OmniOn Power (DE)	OmniOn Power (US)	Other receivables	Yes	166,174 (USD 5,000 thousand)	166,174 (USD 5,000 thousand)	132,939 (USD 4,000 thousand)	5.8%	Short-term financing	-	Business turnover	-		-	252,663	252,663

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

Note 7 : 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
March 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	100% owned subsidiary by Acbel-BVI	22,728,049	498,522 (USD15,000 thousand)	498,522 (USD15,000 thousand)	205,274 (USD6,176 thousand)	-	2.19%	22,728,049	Y	N	N
0	"	Kinpo&Compal Group	Investment accounted for using the equity method	22,728,049	6,600,000	6,600,000	-	-	29.04%	22,728,049	N	N	N
0	"	AcTel Power	100% owned subsidiary	22,728,049	126,000	126,000	-	-	0.55%	22,728,049	Y	N	N
1	OmniOn Power	OmniOn Power (US)	100% owned subsidiary by OmniOn Power	7,264,896	13,294 (USD400 thousand)	13,294 (USD400 thousand)	13,294 (USD400 thousand)	-	0.18%	7,264,896	N	N	N
2	OmniOn Overseas	OmniOn Power (US)	100% owned subsidiary by OmniOn Power	1,118,612	13,294 (USD400 thousand)	13,294 (USD400 thousand)	13,294 (USD400 thousand)	-	1.19%	1,118,612	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.

ACBEL POLYTECH INC.

Notes to the Financial Statements

Table 3 Significant securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):
March 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	-	200,333	- %	200,333	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:

March 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	453,713	24.01%	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	213,701	- %	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	(996,993)	(34.00%)	"
Acbel-PHI	The Company	Parent Company	Sales	(453,713)	(93.16%)	Depending on the demand for funding of Acbel-PHI	According to cost-plus pricing	Payables depending on demand for funding, it will be changed to 90 days receipt in advance from June 30, 2023	Note 1	- %	"
API-PRC	"	"	Outsourced processing revenue	(213,701)	- %	Depending on the demand for funding of API-PRC	According to the need of operating cost	Receivables depending on demand for funding	996,993	42.91%	"
OmniOn Power (Shanghai)	OmniOn Power (US)	Parent Company	Sales	(379,472)	(11.33%)	OA60	Similar to general customers	OA60	533,896	10.45%	"
OmniOn Power (US)	OmniOn Power (SG)	Ultimately same as the parent company	"	(166,626)	(5.93%)	"	"	"	128,210	3.78%	"
OmniOn Power (US)	OmniOn Power (DE)	"	"	(162,975)	(5.80%)	"	"	"	77,664	2.29%	"
OmniOn Power (Matamoros)	OmniOn Power (US)	"	"	(161,967)	(4.89%)	"	"	"	331,798	4.90%	"
OmniOn Power (US)	OmniOn Power (Shanghai)	Subsidiary	Purchases	379,472	24.08%	"	"	"	(533,896)	(14.20%)	"
OmniOn Power (SG)	OmniOn Power (US)	Ultimately same as the parent company	"	166,626	78.96%	"	"	"	(128,210)	(70.31%)	"
OmniOn Power (DE)	OmniOn Power (US)	"	"	162,975	100.00%	"	"	"	(77,664)	(80.22%)	"
OmniOn Power (China)	OmniOn Power (Shanghai)	"	"	161,967	10.28%	"	"	"	(331,798)	(8.83%)	"

Note 1 : The prepayment for purchases was \$278,239 as of March 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:
March 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	996,993 (Note 2)	0.78	-	-	264,341	-	Note 3
"	Acbel-BVI	The parent company of Acbel-SGP	917,473 (Note 2)	-	-	-	-	-	"
The Company	API-WUHAN	Parent company	268,671	-	-	-	196,167	-	"
OmniOn Power (US)	OmniOn Power (SG)	Ultimately same as the parent company	128,210	4.57	-	-	41,652	-	"
OmniOn Power (Shanghai)	OmniOn Power (China)	"	159,940	1.06	-	-	-	-	"
OmniOn Power (Matamoros)	OmniOn Power (US)	"	331,798	2.13	-	-	-	-	"
OmniOn Power (DE)	OmniOn Power (US)	"	148,917	-	-	-	-	-	"
OmniOn Power (Shanghai)	OmniOn Power (US)	"	533,896	2.74	-	-	146,673	-	"
OmniOn Power (China)	OmniOn Power (US)	"	238,193	-	-	-	-	-	"
AcLeap Power	OmniOn Power (US)	Subsidiary	1,119,588	0.68	-	-	-	-	"
OmniOn Power (China)	AcLeap Power	Parent company	385,977	0.53	-	-	-	-	"
OmniOn Power (US)	AcLeap Power	"	921,461	0.56	-	-	-	-	"

Note 1 : Information as of April 25, 2025.

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

Note 3 : 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:
March 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	453,713	The price is marked up based on cost-plus, and the receivables depend on funding demand in credit period.	6.37%
"	"	"	"	Receipts in advance	278,239	"	0.60%
2	API-PRC	The Company	2	Processing Revenue	213,701	The price is based on the need of operating cost, and the receivables depend on funding demand in credit period.	3.00%
"	"	"	"	Accounts Receivable	996,993	"	2.14%
3	"	API-WUHAN	3	Sales Revenue	17,005	"	0.24%
"	"	"	"	Accounts Receivable	21,172	"	0.05%
4	API-WUHAN	The Company	2	Processing Revenue	56,968	"	0.80%
5	The Company	API-WUHAN	1	Accounts Receivable	268,671	"	0.58%
6	OmniOn Power (Shanghai)	OmniOn Power (China)	2	Sales Revenue	36,372	OA60	0.51%
"	"	"	"	Accounts Receivable	159,940	"	0.34%
7	OmniOn Power (US)	OmniOn Power (SG)	3	Sales Revenue	166,626	"	2.34%
"	"	"	"	Accounts Receivable	128,210	"	0.28%
8	OmniOn Power (Matamoros)	OmniOn Power (US)	"	Sales Revenue	161,967	"	2.28%
"	"	"	"	Accounts Receivable	331,798	"	0.71%
9	OmniOn Power (Shanghai)	OmniOn Power (US)	"	Sales Revenue	379,472	"	5.33%
"	"	"	"	Accounts Receivable	533,896	"	1.15%
10	OmniOn Power (US)	OmniOn Power (DE)	"	Sales Revenue	162,975	"	2.29%
"	"	"	"	Accounts Receivable	77,664	"	0.17%
11	OmniOn Power (DE)	OmniOn Power (US)	"	Accounts Receivable	148,917	"	0.32%
12	AcLeap Power	OmniOn Power (US)	1	Royalty Revenue	178,406	The receivables depend on funding demand in credit period.	2.51%
"	"	"	"	Accounts Receivable	1,119,588	"	2.41%
13	OmniOn Power (US)	AcLeap Power	2	Service Revenue	129,440	"	1.82%
"	"	"	"	Accounts Receivable	921,461	"	1.98%
14	OmniOn Power (China)	"	"	Service Revenue	47,425	"	0.67%
"	"	"	"	Accounts Receivable	385,977	"	0.83%
15	"	OmniOn Power (US)	"	Service Revenue	41,546	"	0.58%
"	"	"	"	Accounts Receivable	238,193	"	0.51%
16	API-PRC	Acbel-BVI	"	Accounts Receivable	917,473	"	1.98%

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:
March 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	
				March 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value				
The Company	Acbel-BVI	British Virgin Island	Investment activities	2,939,419 (US\$88,444)	2,939,419 (US\$88,444)	88,444	100%	7,736,739	30,332	30,332	Subsidiaries (Note 2)	
"	Acbel Polytech I.I.	British Virgin Island	Investment activities	396,159 (US\$11,920)	396,159 (US\$11,920)	11,920	100%	2,007,892	1,563	1,563	"	
"	Acbel-JAP	Japan	Electronic products marketing and services	2,230 (JPY\$10,000)	2,230 (JPY\$10,000)	1	100%	14,747	88	88	"	
"	Acbel-Ireland	Ireland	Provide after-sales service	360 (EUR\$10)	360 (EUR\$10)	10	100%	776	69	69	"	
"	AcTek	Taiwan	Business of solar energy	295,000	295,000	29,500	100%	294,683	(7,112)	(7,112)	"	
"	AcRay	Taiwan	Business of solar energy	500	500	50	100%	464	1	1	"	
"	Star Power	Taiwan	Business of solar energy	274,000	274,000	27,400	20%	290,801	(2,455)	(491)	An invested company that were evaluated under the equity method	
"	Kinpo&Compal Group	Taiwan	Property develop	1,725,000	1,725,000	172,500	30%	1,704,173	(4,047)	(1,214)		
"	AcTel Power	Taiwan	Business of solar energy	15,000	15,000	1,500	100%	27,639	1,940	1,940	Subsidiaries (Note 2)	
"	AcGile	Taiwan	Business of automotive electronics	1,000	100,000	100	100%	1,955	179	179	"	
"	Sumray	Taiwan	Business of energy storage	-	300,292	-	-	-	5,965	5,965	"	
"	AcSun	Taiwan	Business of solar energy	200,000	200,000	20,000	20%	209,609	6,874	1,375	"	
The Company and AcRise Power	AcLeap	Taiwan	Investment activities	12,751,988	12,751,988	51,515	100%	15,433,746	21,840	(23,999)	Subsidiaries (Note 2, 3 and 4)	
Acbel-BVI	Acbel-SGP	Singapore	Investment activities	2,111,507 (SGP\$85,214)	2,111,507 (SGP\$85,214)	85,214	100%	6,271,198	2,637	Recognized by Shareholding Percentage by Acbel-BVI		A grandson company (Note 2)
"	Acbel-USA	U.S.A.	Provide after-sales service	21,603 (US\$650)	21,603 (US\$650)	50	100%	60,859	523	"	"	
"	Acbel-UK	UK.	Provide after-sales service	-	-	-	100%	781	-	"	"	
"	Acbel-PHI	Philippines	Manufacturing and selling of power supplies	227,459 (US\$6,844)	227,459 (US\$6,844)	3,350	100%	619,628	5,706	"	"	
"	CSA	Philippines	Investment activities	5,218 (US\$157)	5,218 (US\$157)	8	40%	(3,257)	(1,278)	"	"	
"	Acbel-SAMOA	Samoa	Investment activities	664,696 (US\$20,000)	664,696 (US\$20,000)	20,000	100%	1,649,639	19,781	"	"	
"	Itasca	U.S.A.	Provide market consulting and research and development related power supply	13,294 (US\$400)	13,294 (US\$400)	2	100%	33,122	(12)	"	"	
Acbel Polytech I.I.	Power Station	Republic of Mauritius	Investment activities	898,237 (US\$25,827)	858,355 (US\$25,827)	26,627	83%	1,480,974	(4,354)	Recognized by Shareholding Percentage by Acbel Polytech I.I.		"
Acbel-PHI	CK	Philippines	Investment activities	3,257 (US\$98)	3,257 (US\$98)	5	40%	756	(767)	Recognized by Shareholding Percentage by Acbel-PHI		"
CK	CSA	Philippines	Investment activities	6,972 (PHPS\$12,000)	6,972 (PHPS\$12,000)	12	60%	(4,886)	(1,278)	Recognized by Shareholding Percentage by CK		"
Power Station	SINO-Vietnam	Vietnam	Manufacture and sales of computer hardware	33,235 (US \$1,000)	33,235 (US \$1,000)	-	100%	23,807	(3,163)	Recognized by Shareholding Percentage by Power Station		"

ACBEL POLYTECH INC.

Notes to the Financial Statements

Table 7 Information on investees:
March 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
				March 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
Acbel-SGP	AcRise Power	Taiwan	Investment activities	91,188	91,188	9,119	100%	1,670,841	3,719	Recognized by Shareholding Percentage by Acbel-SGP	A grandson company (Note 2)
"	AcAmple Power	Singapore	Investment activities	6,647 (USD\$200)	6,647 (USD\$200)	200	100%	6,237	55	"	"
AcLeap Power	OmniOn Power	U.S.A.	Investment activities	14,590,011 (USD 438,998)	14,590,011 (USD 438,988)	-	100%	7,264,896	92,575	Recognized by Shareholding Percentage by AcLeap Power	A grandson company (Note 2 and 3)
"	OmniOn Power (CH)	Switzerland	Investment activities	831 (USD\$25)	831 (USD\$25)	25	100%	818	(13)	"	"
OmniOn Power	OmniOn Overseas	U.S.A.	Investment activities	-	-	-	100%	1,118,612	11,730	Recognized by Shareholding Percentage by OmniOn Power	A grandson company (Note 2)
"	OmniOn Power (US)	U.S.A.	Product marketing and design services	2,888,004 (USD\$86,897)	2,888,004 (USD\$86,897)	-	100%	6,126,888	79,851	"	"
OmniOn Overseas	OmniOn Power (DE)	Germany	Product marketing	899 (EUR\$25)	899 (EUR\$25)	-	100%	252,663	24,846	Recognized by Shareholding Percentage by OmniOn Overseas	"
"	OmniOn Power (SG)	Singapore	Product marketing	203,732 (SGD\$8,222)	203,732 (SGD\$8,222)	-	100%	555,933	(28,159)	"	"
OmniOn Power (US) and OmniOn Overseas	OmniOn Power (MX)	Mexico	Product marketing	8,534 (MXN\$5,237)	8,534 (MXN\$5,237)	-	100%	312,038	15,037	Recognized by Shareholding Percentage by OmniOn Power (US) and OmniOn Overseas	"
OmniOn Power (US)	OmniOn Power (Mumbai)	India	Manufacturing activities	156 (INR\$400)	156 (INR\$400)	-	100%	69,496	3,187	Recognized by Shareholding Percentage by OmniOn Power (US)	"
"	OmniOn Power (India)	India	Marketing and technical services	311 (INR\$800)	311 (INR\$800)	-	100%	5,296	199	"	"
OmniOn Power (MX) and OmniOn Overseas	OmniOn Power (Matamoros)	Mexico	Investment activities	2,197 (MXN\$1,348)	2,197 (MXN\$1,348)	-	100%	305,681	20,647	Recognized by Shareholding Percentage by OmniOn Power (MX) and OmniOn Overseas	"
OmniOn Power (CH)	OmniOn Power (EU)	Switzerland	Manufacturing activities	831 (USD\$25)	-	25	100%	831	-	Recognized by Shareholding Percentage by OmniOn Power (CH)	"

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 May 20,2024, AcLeap's Board of Directors resolved to issue new shares as consideration for Acbel-SGP exchange shares of OmniOn Power, increasing AcLeap's ownership to100%.

Note 4: On November 25, 2024, AcRise Power Inc's Board of Directors resolved to issue new shares as consideration for Acbel-SGP exchange shares of AcLeap, increasing AcRise Power Inc's owership to 17%.

ACBEL POLYTECH INC.

Notes to the Financial Statements

Table 8 Information on investment in Mainland China:
March 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 March 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 March 31, 2025	Accumulated remittance of earnings as of March 31, 2025	Note
					Outflow	Inflow							
API-PRC	Manufacturing and selling of power supplies	Has been verified: 2,226,732 (USD 67,000)	Indirect investment through Acbel-BVI	1,821,267 (USD 54,800)	-	-	1,821,267 (USD 54,800)	(1,523)	100%	(1,523)	3,449,504	-	Note 6
API-WUHAN	Manufacturing and selling of power supplies	Has been verified: 664,696 (USD 20,000)	Indirect investment through Acbel-BVI	664,696 (USD 20,000)	-	-	664,696 (USD 20,000)	19,235	100%	19,235	1,638,787	-	-
SINO	Manufacturing and selling of computer hardware	Has been verified: 1,063,514 (USD 32,000)	Indirect investment through Acbel Polytech I.I.	815,914 (USD 24,550)	-	-	815,914 (USD 24,550)	(3,684)	83%	(3,047)	1,142,412	-	-
SINO-Tongliang	Manufacturing and selling of computer hardware	Has been verified: 68,636 (CNY 15,000)	Indirect investment through Acbel Polytech I.I.	-	-	-	-	(5,254)	83%	(4,344)	96,775	-	Note 5
Kanghua-Chongqing	Manufacturing and selling of computer hardware	Has been verified: 68,636 (CNY 15,000)	Indirect investment through Acbel Polytech I.I.	-	-	-	-	(4,414)	83%	(3,650)	(22,132)	-	Note 5
OmniOn Power (Shanghai)	Investment activities	Has been verified: 543,275 (CNY 118,730)	Indirect investment through OmniOn Power.	-	-	-	-	33,166	100%	33,166	1,694,827	-	-
OmniOn Power (China)	Product marketing and design services	Has been verified: 389,655 (CNY 85,157)	Indirect investment through OmniOn Power.	-	-	-	-	(28,506)	100%	(28,506)	245,465	-	-

ACBEL POLYTECH INC.

Notes to the Financial Statements

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

(ii) Limitation on investment in Mainland China:

Unit: thousand dollars

Name	Accumulated Investment in Mainland China as of March 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	3,301,877 (USD 99,350)	4,423,851 (USD 133,109)(Note 3)	Unrestricted (Note 4)
AcLeap Power Inc.	-	1,547,578 (USD 46,565)	5,845,282

Note 1 : The investment gains or losses of the current period are recognized according to the financial statements which have been reviewed and certified by the Company's independent external auditors of self-compiled without reviewed.

Note 2 : The USD and CNY were translated into New Taiwan Dollars at the exchange rates of 33.2348 and 4.57572, respectively, as of March 31, 2024.

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 GOVERING 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

The Company supply materials and outsource manufacturing process to API-PRC and API-WUHAN. The Company purchase the final products from API-PRC and API-WUHAN, and the price is based on the demand of operation cost. The purchase price includes the processing fee, and the price has been written-off in the financial statements for the three months ended March 31, 2025, respectively. The total amounts of processing fee were \$213,701 and \$56,968 for the three months ended March 31, 2025, respectively. Accounts payable and other receivables arising from the aforesaid transactions offset each other monthly. As of March 31, 2025, the accounts payable of API-PRC was \$996,993.

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 three months ended March 31, 2025.