

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

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of 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 \$3,545,265 thousand and \$4,591,044 thousand, constituting 8% and 9% of the consolidated total assets; and the total liabilities amounting to \$1,865,744 thousand and \$2,158,321 thousand, constituting 7% and 8% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; as well as the total comprehensive income amounting to \$50,128 thousand, \$59,842 thousand, \$51,468 thousand and \$14,512 thousand, constituting 6%, 14%, 6% and 359% of the consolidated total comprehensive income for the three months and nine months ended September 30, 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 \$2,194,484 thousand and \$2,204,995 thousand as of September 30, 2025 and 2024, respectively, and the share of profit and (losses) of associates and joint ventures accounted for using the equity method of \$(3,491) thousand, \$16,469 thousand, \$11,982 thousand and \$27,916 thousand for the three months and nine months ended September 30, 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 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 Chien, Szu-Chuan and Wang, I-Wen.

KPMG

Taipei, Taiwan (Republic of China)
November 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 Statements of Comprehensive Income

For the three months and nine months ended September 30, 2025 and 2024

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

	For the three months ended				For the nine months ended				
	September 30,				September 30,				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes (6)(z) and (7))	\$ 8,070,817	100.0	8,425,058	100.0	22,529,129	100.0	23,549,000	100.0
5000	Operating costs (notes (6)(g) and (7))	6,035,466	74.8	6,502,388	77.2	16,805,565	74.6	18,009,119	76.5
5900	Gross profit	2,035,351	25.2	1,922,670	22.8	5,723,564	25.4	5,539,881	23.5
6000	Operating expenses (notes (6)(u) , (6)(x) , (6)(aa) , (7) and (12)(a)):								
6100	Selling expenses	388,096	4.8	486,391	5.8	1,222,077	5.4	1,405,480	6.0
6200	Administrative expenses	642,708	8.0	817,561	9.7	1,995,812	8.9	2,185,863	9.2
6300	Research and development expenses	722,786	8.9	707,505	8.4	2,150,440	9.5	2,026,398	8.6
		1,753,590	21.7	2,011,457	23.9	5,368,329	23.8	5,617,741	23.8
6900	Net operating income (loss)	281,761	3.5	(88,787)	(1.1)	355,235	1.6	(77,860)	(0.3)
7000	Non-operating income and expenses:								
7100	Interest income	48,118	0.6	71,701	0.9	159,781	0.7	196,203	0.8
7190	Other income and (losses) (notes (6)(b) , (6)(i) , (6)(j) and (6)(ab))	1,225	-	3,567	-	8,201	-	(108,015)	(0.5)
7230	Foreign exchange gains (loss), net (notes (6)(e) and (6)(ac))	93,691	1.2	(117,438)	(1.4)	(443,320)	(2.0)	166,965	0.7
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss (notes (6)(b) , (6)(e) , (6)(s) and (6)(ac))	36,418	0.4	(23,059)	(0.3)	25,174	0.1	16,526	0.1
7510	Interest expense (notes (6)(s) and (6)(t))	(63,807)	(0.8)	(65,486)	(0.8)	(199,450)	(0.9)	(194,339)	(0.8)
7770	Share of profit and (losses) of associates and joint ventures accounted for using the equity method (note (6)(i))	(3,491)	-	16,469	0.2	11,982	0.1	27,916	0.1
		112,154	1.4	(114,246)	(1.4)	(437,632)	(2.0)	105,256	0.4
7900	Profit (loss) before tax	393,915	4.9	(203,033)	(2.5)	(82,397)	(0.4)	27,396	0.1
7950	Income tax expenses (note (6)(v))	139,320	1.7	27,534	0.3	254,267	1.1	194,620	0.8
	Profit (loss) from continuing operations, net of tax	254,595	3.2	(230,567)	(2.8)	(336,664)	(1.5)	(167,224)	(0.7)
8100	Profit (loss) from discontinued operations:								
8101	Profit from discontinued operations, net of tax (note (12)(b))	-	-	8,741	0.1	5,965	-	5,861	-
8200	Profit (loss)	254,595	3.2	(221,826)	(2.7)	(330,699)	(1.5)	(161,363)	(0.7)
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	-	-	1,489	-	(7,308)	-	(1,178)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	102,280	1.3	(79,389)	(0.9)	83,324	0.4	(149,557)	(0.6)
8349	Less: income tax related to components of other comprehensive income (note (6)(v))	-	-	(15,098)	(0.2)	(3,418)	-	(28,419)	(0.1)
	Components of other comprehensive income that will not be reclassified to profit or loss	102,280	1.3	(62,802)	(0.7)	79,434	0.4	(122,316)	(0.5)
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	426,173	5.2	(141,645)	(1.7)	(595,897)	(2.7)	279,642	1.2
8399	Less: income tax related to components of other comprehensive income	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	426,173	5.2	(141,645)	(1.7)	(595,897)	(2.7)	279,642	1.2
8300	Other comprehensive income (loss)	528,453	6.5	(204,447)	(2.4)	(516,463)	(2.3)	157,326	0.7
8500	Comprehensive income (loss)	\$ 783,048	9.7	(426,273)	(5.1)	(847,162)	(3.8)	(4,037)	(0.02)
	Profit (loss) attributable to:								
8610	Owners of parent	\$ 254,361	3.2	(222,242)	(2.7)	(328,572)	(1.7)	(168,576)	(0.7)
8620	Non-controlling interests	234	-	416	-	(2,127)	-	7,213	-
		\$ 254,595	3.2	(221,826)	(2.7)	(330,699)	(1.7)	(161,363)	(0.7)
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	\$ 769,037	9.5	(430,354)	(5.1)	(830,329)	(3.7)	(25,118)	(0.1)
8720	Non-controlling interests	14,011	0.2	4,081	-	(16,833)	(0.1)	21,081	0.1
		\$ 783,048	9.7	(426,273)	(5.1)	(847,162)	(3.8)	(4,037)	(0.02)
	Profit (loss) attributable to:								
	Owners of parent								
	Profit (loss) from continued operations, net of tax	\$ 254,361	3.2	(230,983)	(2.7)	(334,537)	(1.5)	(174,437)	(0.7)
	Profit from discontinued operations, net of tax	-	-	8,741	-	5,965	-	5,861	-
8610	Profit (loss) attributable to owners of parent	\$ 254,361	3.2	(222,242)	(2.7)	(328,572)	(1.5)	(168,576)	(0.7)
	Non-controlling interests								
	Profit (loss) from continued operations, net of tax	\$ 234	-	416	-	(2,127)	-	7,213	-
	Profit from discontinued operations, net of tax	-	-	-	-	-	-	-	-
8620	Profit (loss) attributable to non-controlling interests	\$ 234	-	416	-	(2,127)	-	7,213	-
	Comprehensive income (loss) attributable to:								
	Owners of parent								
	Comprehensive income (loss) from continued operations, net of tax	\$ 769,037	9.5	(430,354)	(5.1)	(836,294)	(3.7)	(25,118)	(0.1)
	Comprehensive income from discontinued operations, net of tax	-	-	-	-	5,965	-	-	-
8710	Comprehensive income (loss) attributable to owners of parent	\$ 769,037	9.5	(430,354)	(5.1)	(830,329)	(3.7)	(25,118)	(0.1)
	Non-controlling interests								
	Comprehensive income (loss) from continued operations, net of tax	\$ 14,011	0.2	4,081	-	(16,833)	(0.1)	21,081	0.1
	Comprehensive income (loss) from discontinued operations, net of tax	-	-	-	-	-	-	-	-
8720	Comprehensive income (loss) attributable to non-controlling interests	\$ 14,011	0.2	4,081	-	(16,833)	(0.1)	21,081	0.1
9750	Earnings per share (note (6)(y)):								
	Basic net income per share (NT dollars)								
	Basic earnings (loss) per share from continuing operations	\$ 0.30		(0.27)		(0.39)		(0.21)	
	Basic earnings per share from discontinued operations	-		0.01		0.01		0.01	
	Total basic earnings per share	\$ 0.30		(0.26)		(0.38)		(0.20)	
9850	Diluted net income per share (NT dollars)								
	Diluted earnings (loss) per share from continuing operations	\$ 0.26		-		-		-	
	Total diluted earnings per share	\$ 0.26		-		-		-	

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 nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
						Other components of equity						Total equity attributable to owners of parent	Non-controlling interests	Total equity
						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		Exchange differences on translation of foreign financial statements		Unearned stock-based employee compensation				
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings	Unappropriated retained earnings	Total other equity interest	Unearned stock-based employee compensation	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity			
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:														
Legal reserve appropriated	-	-	6,453	-	(6,453)	-	-	-	-	-	-	-		
Special reserve appropriated	-	-	-	32,063	(32,063)	-	-	-	-	-	-	-		
Cash dividends	-	-	-	-	(430,930)	-	-	-	-	(430,930)	-	(430,930)		
Profit for the nine months ended September 30, 2024	-	-	-	-	(168,576)	-	-	-	-	(168,576)	7,213	(161,363)		
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	(1,178)	265,774	(121,138)	-	144,636	143,458	13,868	157,326		
Comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	(169,754)	265,774	(121,138)	-	144,636	(25,118)	21,081	(4,037)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(7,144)	-	-	-	-	(7,144)	-	(7,144)		
Share-based payments transactions	(32,860)	(130,022)	-	-	2,623	-	-	111,432	111,432	(48,827)	-	(48,827)		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,387)	(8,387)		
Balance at September 30, 2024	\$ 8,588,331	10,218,507	1,420,741	267,308	2,299,447	160,675	(283,346)	(28,040)	(150,711)	22,643,623	374,434	23,018,057		
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:														
Legal reserve appropriated	-	-	2,971	-	(2,971)	-	-	-	-	-	-	-		
Reversal of special reserve	-	-	-	(267,308)	267,308	-	-	-	-	-	-	-		
Cash dividends	-	-	-	-	(257,591)	-	-	-	-	(257,591)	-	(257,591)		
Loss for the nine months ended September 30, 2025	-	-	-	-	(328,572)	-	-	-	-	(328,572)	(2,127)	(330,699)		
Other comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	(7,308)	(581,191)	86,742	-	(494,449)	(501,757)	(14,706)	(516,463)		
Comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	(335,880)	(581,191)	86,742	-	(494,449)	(830,329)	(16,833)	(847,162)		
Cash dividends from capital surplus	-	(171,727)	-	-	-	-	-	-	-	(171,727)	-	(171,727)		
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(2,492)	-	-	-	-	(2,492)	-	(2,492)		
Share-based payments transactions	(27,080)	-	-	-	-	-	-	27,080	27,080	-	-	-		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,407)	(8,407)		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(300,120)	-	167,540	-	167,540	(132,580)	-	(132,580)		
Balance at September 30, 2025	\$ 8,560,291	10,049,869	1,423,712	-	1,871,682	(216,747)	(5,312)	-	(222,059)	21,683,495	287,917	21,971,412		

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 nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit (loss) from continued operations, net of tax	\$ (82,397)	27,396
Profit from discontinued operations before tax	7,456	7,327
Profit before tax	(74,941)	34,723
Adjustments for:		
Depreciation expense	992,221	967,403
Amortization expense	287,847	290,612
Expected credit loss	6,219	18,984
Net gain on financial assets or liabilities at fair value through profit or loss	(53,146)	(16,526)
Interest expense	202,973	198,505
Interest income	(159,944)	(197,529)
Compensation costs of share-based payment transaction	-	(48,826)
Share of profit of associates and joint ventures accounted for using the equity method	(11,982)	(27,916)
Gain on disposal of property, plant and equipment	(2,100)	(3,317)
Loss on disposal of intangible assets	130	-
Loss on disposal of investments	20,101	-
Gain on disposal and remeasurement of investments accounted for under the equity method	-	(8,032)
Impairment loss on non-financial assets	10,917	-
Others	(82)	(64)
	<u>1,293,154</u>	<u>1,173,294</u>
Changes in operating assets and liabilities:		
Decrease (increase) in derivative financial assets for hedging	(14)	2,965
Decrease in notes receivable	163,073	155,668
Decrease in accounts receivable	413,779	180,795
Decrease (increase) in accounts receivable due from related parties	233,067	(281,070)
Decrease (increase) in other receivables	(72,420)	117,027
Decrease (increase) in inventories	(490,612)	451,360
Decrease (increase) in prepayment and other current assets	48,874	(292,742)
Increase in net defined benefit assets	(32,391)	-
Increase (decrease) in derivative financial liabilities for hedging	(2,907)	1,072
Decrease in contract liabilities	(223,037)	(180,176)
Decrease in accounts payable (including related parties)	671,208	426,887
Increase (decrease) in accrued expense and other current liabilities	(56,194)	110,125
Increase (decrease) in provisions for employee benefits, non-current	2,761	(16,225)
Total changes in operating assets and liabilities	<u>655,187</u>	<u>675,686</u>
Total adjustments	<u>1,948,341</u>	<u>1,848,980</u>
Cash flows from operations	1,873,400	1,883,703
Interest received	172,153	195,348
Income taxes paid	(392,635)	(403,918)
Net cash flows from operating activities	<u>1,652,918</u>	<u>1,675,133</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	86,019	-
Proceeds from acquisition of financial assets at amortized cost	(874,582)	(464,889)
Disposal of financial assets at fair value through profit or loss	56,769	6,823
Acquisition of financial assets at fair value through profit or loss	(22,400)	-
Proceeds from disposal of investments accounted for using equity method	-	180,846
Proceeds from disposal of subsidiaries	342,949	-
Acquisition of property, plant and equipment	(631,220)	(2,354,524)
Proceeds from disposal of property, plant and equipment	30,187	22,461
Increase in refundable deposits	(12,284)	(13,653)
Acquisition of intangible assets	(7,655)	(13,719)
Increase in other financial assets	(33,477)	-
Decrease (increase) in other non-current assets	25	(8,947)
Cash movement of subsidiaries held for sale	-	(312,325)
Dividends received	19,919	22,356
Net cash flows used in investing activities	<u>(1,045,750)</u>	<u>(2,935,571)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(2,751,731)	553,792
Increase in short-term notes and bills payable	-	200,000
Proceeds from long-term borrowings	2,931,620	2,651,320
Repayments of long-term borrowings	(381,012)	(1,217,145)
Payment of lease liabilities	(261,489)	(261,645)
Cash dividends paid	(429,318)	(430,930)
Interest paid	(159,515)	(151,467)
Change in non-controlling interests	(8,407)	(8,387)
Guarantee deposits and others	(11,211)	312,864
Net cash flows from (used in) financing activities	<u>(1,071,063)</u>	<u>1,648,402</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(244,102)</u>	<u>79,390</u>
Net increase (decrease) in cash and cash equivalents	<u>(707,997)</u>	<u>467,354</u>
Cash and cash equivalents at beginning of period	<u>7,045,569</u>	<u>6,728,256</u>
Cash and cash equivalents at end of period	<u>\$ 6,337,572</u>	<u>7,195,610</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

September 30, 2025 and 2024

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

(1) Company history

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

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

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

The consolidated financial statements were authorized for issue by the Board of Directors on November 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:

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

- (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:

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● 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 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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.

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

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

(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 for 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.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Acbel Polytech Holdings Inc. (Acbel-BVI)	Investment	100%	100%	100%	Note 2
"	Acbel Polytech International Inc. (Acbel Polytech I.I.)	Investment	100%	100%	100%	Note 2
"	Acbel Polytech Japan Inc. (Acbel-JAP)	Marketing and service for electronic products	100%	100%	100%	Note 2
"	AcRay Energy Co., Ltd. (AcRay)	Business of solar energy	100%	100%	100%	Note 2
"	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 2
"	AcTel Power Co., Ltd. (AcTel Power)	Business of solar energy	100%	100%	100%	Note 2
"	AcGile EV Power Inc. (AcGile)	Business of automotive electronics	100%	100%	100%	Note 2
"	Sumray Power Company (Sumray)	Business of energy storage	-%	100%	100%	Note 1
"	AcLeap Power Inc. (AcLeap Power)	Investment	83%	83%	83%	

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
Acbel-BVI	Acbel Polytech (Singapore) Pte Ltd. (Acbel-SGP)	Investment	100%	100%	100%	Note 2
"	Acbel (USA) Polytech Inc. (Acbel-USA)	Maintenance of power supplies	100%	100%	100%	Note 2
"	Acbel Polytech (UK) Ltd. (Acbel-UK)	Maintenance of power supplies	100%	100%	100%	Note 2
"	Acbel Polytech Philippines Inc. (Acbel-PHI)	Manufacture and sale of power supplies	100%	100%	100%	Note 2
"	CSA Holdings Inc. (CSA)	Investment	40%	40%	40%	Note 2
"	Acbel Polytech (SAMOA) Investment Inc. (Acbel-SAMOA)	Investment	100%	100%	100%	Note 2
"	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%	Note 7
Acbel-SGP	API-PRC	Manufacture and sale of power supplies	97%	97%	97%	
"	AcRise Power Inc. (AcRise Power)	Investment	100%	100%	100%	Note 2
"	AcAmple Power Pte. Ltd. (AcAmple Power)	Investment	100%	100%	100%	Note 2
"	AcLeap Power	Investment	-%	-%	17%	Note 3
AcRise Power	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%	
Acbel-PHI	CK Holdings Inc.(CK)	Investment	40%	40%	40%	Note 2
CK	CSA	Investment	60%	60%	60%	Note 2
Acbel Polytech I.I.	Power Station Holdings Ltd. (Power Station)	Investment	83%	83%	79%	Note 2 and Note 4
Power Station	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%	100%	Note 2
SINO	Chongqing Tongliang District Shanghai Sino Hardware Electronics Co.Ltd. (SINO-Tongliang)	Manufacture and sale of computer hardware	100%	100%	100%	Note 2
"	Chongqing Kanghua Metal Product Co., Ltd. (Kanghua-Chongqing)	Manufacture and sale of computer hardware	100%	100%	100%	Note 2
AcLeap	OmniOn Power Holdings Inc. (OmniOn Power)	Investment	100%	100%	100%	
"	OmniOn Power Technology GmbH (Switzerland) (OmniOn Power (CH))	Investment	100%	100%	-%	Note 5
"	OmniOn Power (Taiwan) Inc. (OmniOn Power (Taiwan))	Investment	100%	-%	-%	Note 8

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Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
OmniOn Power (CH)	OmniOn Power (Europe) GmbH (Switzerland) (OmniOn Power (EU))	Investment	100%	-%	-%	Note 6
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 of the Company's entire shares in its subsidiary, Sumray Power, which was sold in the first quarter of 2025.

Note 2: The subsidiary is an immaterial subsidiary whose financial statements have not been reviewed.

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

Note 5: OmniOn Power (CH) was incorporated in the fourth quarter of 2024.

Note 6: OmniOn Power (EU) was incorporated in the first quarter of 2025.

Note 7: Itasca had completed the liquidation procedure in the second quarter of 2025.

Note 8: OmniOn Power (Taiwan) was incorporated in the second quarter of 2025.

(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.

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

(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.

(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

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	\$ 1,925	1,959	2,698
Checking accounts and demand deposits	1,787,054	3,084,911	3,525,442
Time deposits	<u>4,548,593</u>	<u>3,958,699</u>	<u>3,667,470</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 6,337,572</u>	<u>7,045,569</u>	<u>7,195,610</u>

- (i) As of September 30, 2025, December 31 and September 30, 2024, time deposits with original maturity of more than 3 months amounting to \$1,816,110, \$952,916 and \$1,053,530 were recognized as current financial assets at amortized costs, respectively. Please refer to note (6)(d).
- (ii) Please refer to note (6)(ac) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Convertible bonds – embedded derivatives	\$ <u>800</u>	<u>-</u>	<u>-</u>
Forward exchange swap contracts	\$ <u>-</u>	<u>340</u>	<u>-</u>
Non-current mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Convertible bonds – embedded derivatives	\$ -	400	1,200
Non-derivative financial assets			
Limited partnership investment	<u>209,318</u>	<u>222,187</u>	<u>259,621</u>
	<u>\$ 209,318</u>	<u>222,587</u>	<u>260,821</u>
	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current financial liabilities at fair value through profit or loss:			
Convertible bonds – embedded derivatives	\$ 26,000	-	-
Current held-for-trading financial liabilities			
Derivative instruments not used for hedging			
Forward exchange swap contracts	<u>3,210</u>	<u>-</u>	<u>1,718</u>
	<u>\$ 29,210</u>	<u>-</u>	<u>1,718</u>
Non-current financial liabilities at fair value through profit or loss:			
Convertible bonds – embedded derivatives	\$ <u>-</u>	<u>60,800</u>	<u>46,800</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:

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

September 30, 2025			
	Contract amount (in thousands)	Currency	Maturity dates
Financial liabilities:			
Forward exchange contracts – swap in TWD/ swap out USD	USD <u>13,000</u>	USD to TWD	2025.10.22 - 2025.10.30
December 31, 2024			
	Contract amount (in thousands)	Currency	Maturity dates
Financial assets:			
Forward exchange contracts – swap in CNY/swap out USD	USD <u>3,500</u>	USD to CNY	2025.3.10
September 30, 2024			
	Contract amount (in thousands)	Currency	Maturity date
Financial liabilities:			
Forward exchange contracts – swap in CNY/swap out USD	USD <u>3,500</u>	USD to CNY	2024.12.10

- (i) For the nine months ended September 30, 2025 and 2024, the Group received from Zoyi Capital Fund II the refund of \$55,706 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 \$20,437 and \$41,276, respectively, to be recognized as net gain or loss on financial assets (liabilities) at fair value through profit or loss. In addition, the Company completed the payment for the remaining committed capital contribution of \$22,400 in the third quarter of 2025.
- (ii) As of September 30, 2025, December 31 and September 30, 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

	September 30, 2025	December 31, 2024	September 30, 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>79,720</u>	<u>82,415</u>	<u>58,833</u>
Total	<u>\$ 80,720</u>	<u>83,415</u>	<u>59,833</u>

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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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.

For the nine months ended September 30, 2025, the Group disposed of some of its equity instruments at a fair value of \$86,019, resulting in the accumulated after-tax loss and related income tax benefit of \$167,540 and \$132,580, which were reclassified to retained earnings. There were no such transactions in 2024.

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

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(d) Financial assets measured at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 1,730,514	907,929	1,053,530
Non-current	85,596	44,987	-
	<u>\$ 1,816,110</u>	<u>952,916</u>	<u>1,053,530</u>

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

The Group holds time deposits, with the range of interest rate of 1.00%~4.40% and 1.30%~5.85% during the nine months ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(e) Financial instruments used for hedging

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

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

Hedged item	Derivative financial instrument	Designated hedging instruments - Fair value		
		September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable in foreign currency -USD	Forward exchange sold	\$ <u>(162)</u>	<u>(3,040)</u>	<u>(1,179)</u>

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

September 30, 2025			
	Contract amount (in thousands)	Currency	Maturity
Hedging financial assets:			
Forward exchange sold	USD <u>500</u>	USD to CNY	2025.12.23
Hedging financial liabilities:			
Forward exchange sold	USD <u>7,000</u>	USD to CNY	2025.10.24 - 2026.2.25
December 31, 2024			
	Contract amount (in thousands)	Currency	Maturity
Hedging financial liabilities:			
Forward exchange sold	USD <u>3,000</u>	USD to CNY	2025.1.24 - 2025.3.25
September 30, 2024			
	Contract amount (in thousands)	Currency	Maturity
Hedging financial liabilities:			
Forward exchange sold	USD <u>3,000</u>	USD to CNY	2024.10.25 - 2024.12.24

- (iii) The gains (losses) from the hedging instruments were \$(25,972), \$1,179, \$2,878 and \$(4,116) for the three months and nine months ended September 30, 2025 and 2024, respectively. The gains (losses) from the hedged item attributable to the hedged risk were \$25,972, \$(1,179), \$(2,878) and \$4,116 for the three months and nine months ended September 30, 2025 and 2024, respectively.

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Notes receivable from operating activities	\$ 66,738	229,811	195,322
Accounts receivable (including related parties) – measured at amortized cost	8,142,414	8,952,121	8,334,908
Accounts receivable – fair value through other comprehensive income	<u>666</u>	<u>-</u>	<u>2,153</u>
	8,209,818	9,181,932	8,532,383
Less: loss allowance	<u>(39,217)</u>	<u>(35,764)</u>	<u>(38,434)</u>
	<u>\$ 8,170,601</u>	<u>9,146,168</u>	<u>8,493,949</u>

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

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

	<u>September 30, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 7,528,176	-%	3,480
1 to 90 days past due	607,366	0.9%	5,646
91 to 180 days past due	36,644	4.8%	1,764
181 to 270 days past due	4,968	15.0%	744
271 to 365 days past due	10,430	51.3%	5,349
More than 365 days past due	<u>22,234</u>	100.0%	<u>22,234</u>
Total	<u>\$ 8,209,818</u>		<u>39,217</u>

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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	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	<u>1,502</u>	100.0%	<u>1,502</u>
Total	<u><u>\$ 9,181,932</u></u>		<u><u>35,764</u></u>

	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 7,652,450	0.1%	5,720
1 to 90 days past due	774,285	0.8%	5,843
91 to 180 days past due	49,535	14.3%	7,065
181 to 270 days past due	44,819	20.0%	8,960
271 to 365 days past due	1,024	56.3%	576
More than 365 days past due	<u>10,270</u>	100.0%	<u>10,270</u>
Total	<u><u>\$ 8,532,383</u></u>		<u><u>38,434</u></u>

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

	For the nine months ended September 30,	
	2025	2024
Balance on January 1	\$ 35,764	22,278
Impairment loss recognized	6,221	18,974
Accounts written off	(402)	(3,452)
Foreign exchange gains (losses)	<u>(2,366)</u>	<u>634</u>
Balance on September 30	<u><u>\$ 39,217</u></u>	<u><u>38,434</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.

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

September 30, 2025						
Purchaser	Amount Factored	Amount Advanced	Collateral	Amount Recognized in Other Receivables	Interest Rate	Others
Bank	<u>\$ 929</u>	<u>-</u>	-	<u>929</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
September 30, 2024						
Purchaser	Amount Factored	Amount Advanced	Collateral	Amount Recognized in Other Receivables	Interest Rate	Others
Bank	<u>\$ 9,042</u>	<u>-</u>	-	<u>9,042</u>	-	None

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned notes and accounts receivable as collaterals for its loans.

(g) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 3,896,054	3,732,797	4,134,573
Work in progress	631,020	456,797	431,191
Finished goods	2,246,375	2,618,338	2,008,752
Inventories in transit	675,321	388,623	474,306
	\$ 7,448,770	7,196,555	7,048,822

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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The details for the cost of sales were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Cost of sales and expenses	\$ 6,008,955	6,452,781	16,766,338	17,814,635
Write-down of inventories (reversal of write-downs)	10,634	32,807	(22,361)	116,312
Unallocated production overheads	10,959	6,349	35,091	26,662
Loss on retirement of inventories	4,918	10,451	26,497	51,510
	<u>\$ 6,035,466</u>	<u>6,502,388</u>	<u>16,805,565</u>	<u>18,009,119</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any inventories as collaterals for its loans.

(h) Non-current assets held for sale

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

As of December 31 and September 30, 2024, the disposal group comprised the following assets and liabilities:

	December 31, 2024	September 30, 2024
Cash and cash equivalent	\$ 236,525	312,325
Accounts receivable, net	30,335	32,669
Other receivables	168	-
Prepayments and other current assets	209,102	137,325
Property, plant and equipment	2,802,304	2,604,413
Right-of-use assets	30,335	30,197
Other non-current assets	28,084	28,000
Non-current assets classified as held for sale ,net	<u>\$ 3,336,853</u>	<u>3,144,929</u>

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

	December 31, 2024	September 30, 2024
Short-term borrowings	\$ 172,840	-
Accrued expenses and other payables	112,672	110,849
Current income tax payable	4,385	-
Current lease liabilities	2,026	1,708
Other current liabilities	206,412	-
Long-term borrowings	2,076,580	2,076,580
Non-current lease liabilities	31,397	31,828
Other non-current liabilities	<u>411,544</u>	<u>617,956</u>
Liabilities classified as held for sale	<u>\$ 3,017,856</u>	<u>2,838,921</u>

The total comprehensive income (loss) of Sumray was \$5,965, \$5,861, and \$8,741 for the nine months ended September 30, 2025 and 2024, and for the three months ended September 30, 2024, respectively.

In 2023, Sumray, a subsidiary of the Group, entrusted its non-related parties to construct an energy storage facility in Hualien, with a total contract price of \$3,089,780. As of September 30, 2024, the completed asset and the construction-in-progress of \$1,048,162 and \$1,567,916 were recognized as property, plant and equipment, as well as construction in progress and equipment pending inspection, respectively. In addition, Sumray received a performance guarantee deposit of \$617,956, recognized under other non-current liabilities, from its non-related. As of December 31, 2024, the completed asset and the construction-in-progress of \$1,048,162 and \$1,783,276 were recognized as property, plant and equipment, as well as construction in progress and equipment pending inspection, respectively. Furthermore, the performance guarantee deposits received from non-related parties of \$206,412 and \$411,544 were recognized under other current liabilities and other non-current liabilities, respectively.

As of September 30, 2024, the above-mentioned long-term borrowings of \$1,296,350 have been guaranteed by a promissory note and endorsement issued by the company. The remaining amount of \$780,230 has been guaranteed by a letter of support issued by the Company. As of December 31, 2024, the aforementioned short-term borrowings of \$172,840 and long-term borrowings of \$1,296,350 were secured by a promissory note and endorsement issued by the Company. The remaining amount of \$780,230 was guaranteed by a letter of support issued by the Company.

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

(i) Investments accounted for using the equity method

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

	September 30, 2025	December 31, 2024	September 30, 2024
Associates - investments accounted for using the equity method	\$ 2,194,484	2,204,913	2,204,995
	For the three months ended September 30, 2025	2024	For the nine months ended September 30, 2025
	2024	2025	2024
Attributable to the Group:			
Profit (loss)	\$ (3,491)	16,469	11,982
Comprehensive income	\$ (3,491)	16,469	11,982
	27,916	27,916	27,916

- (ii) 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.
- (iii) The Group did not participate in the cash capital increase conducted by Star Power Energy Corporation (Star Power) in the third quarter of 2025, resulting in its shareholding to decrease from 20% to 16.47%, and its retained earnings be adjusted by \$2,492.
- (iv) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any investment accounted for using equity method as collateral for its loans.
- (v) There are no significant restrictions on the ability of the associates to transfer funds to the Group.
- (vi) 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

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

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

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

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

(k) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 30, 2025 and 2024 were as follows:

	Land	Buildings and construction	Machinery 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	-	9,026	148,299	118,803	131,852	407,980
Reclassifications	-	11,793	66,735	31,875	(99,137)	11,266
Disposal and derecognitions	-	(2,964)	(140,530)	(111,578)	-	(255,072)
Effect of movements in exchange rates	<u>(6,451)</u>	<u>(108,416)</u>	<u>(200,843)</u>	<u>(40,282)</u>	<u>(11,224)</u>	<u>(367,216)</u>
Balance on September 30, 2025	<u>\$ 814,038</u>	<u>4,387,001</u>	<u>6,635,656</u>	<u>3,640,496</u>	<u>254,298</u>	<u>15,731,489</u>

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

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery equipment</u>	<u>Testing equipment and other facilities</u>	<u>Construction in progress and prepayments for equipment</u>	<u>Total</u>
Balance on January 1, 2024	\$ 818,902	4,304,532	5,189,556	3,343,187	2,293,363	15,949,540
Additions	-	19,367	706,047	70,495	1,728,944	2,524,853
Reclassification to non-current assets held for sale	-	-	(1,048,162)	-	(1,567,916)	(2,616,078)
Reclassifications	-	62,082	1,971,260	140,212	(2,176,880)	(3,326)
Disposal and derecognitions	-	(300)	(116,125)	(51,318)	-	(167,743)
Effect of movements in exchange rates	1,496	55,483	98,071	13,131	8,148	176,329
Balance on September 30, 2024	<u>\$ 820,398</u>	<u>4,441,164</u>	<u>6,800,647</u>	<u>3,515,707</u>	<u>285,659</u>	<u>15,863,575</u>
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	1,377,657	3,472,655	2,714,679	-	7,564,991
Depreciation	-	129,157	331,614	262,608	-	723,379
Reclassifications	-	-	(51)	51	-	-
Disposals and derecognitions	-	(2,964)	(122,427)	(101,594)	-	(226,985)
Effect of movements in exchange rates	-	(52,548)	(126,034)	(24,038)	-	(202,620)
Balance on September 30, 2025	<u>\$ -</u>	<u>1,451,302</u>	<u>3,555,757</u>	<u>2,851,706</u>	<u>-</u>	<u>7,858,765</u>
Balance on January 1, 2024	\$ -	1,167,546	3,373,541	2,331,466	-	6,872,553
Depreciation	-	129,306	333,398	253,678	-	716,382
Reclassification to non-current assets held for sale	-	-	(11,665)	-	-	(11,665)
Reclassifications	-	-	(112,991)	113,292	-	301
Disposals and derecognitions	-	(300)	(97,793)	(50,506)	-	(148,599)
Effect of movements in exchange rates	-	24,700	66,297	8,872	-	99,869
Balance on September 30, 2024	<u>\$ -</u>	<u>1,321,252</u>	<u>3,550,787</u>	<u>2,656,802</u>	<u>-</u>	<u>7,528,841</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 September 30, 2025	<u>\$ 814,038</u>	<u>2,935,699</u>	<u>3,079,899</u>	<u>788,790</u>	<u>254,298</u>	<u>7,872,724</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 September 30, 2024	<u>\$ 820,398</u>	<u>3,119,912</u>	<u>3,249,860</u>	<u>858,905</u>	<u>285,659</u>	<u>8,334,734</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group's property, plant and equipment were provided as collaterals for credit lines of borrowings. Please refer to note(8).

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

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

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(1) 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	3,689	25,493	55,900	16,559	101,641
Less	-	(7,135)	(15,093)	-	(22,228)
Effect of movements in exchange rates	(6,259)	(15,129)	(5,596)	1,327	(25,657)
Balance on September 30, 2025	<u>\$ 161,880</u>	<u>1,492,505</u>	<u>98,615</u>	<u>50,726</u>	<u>1,803,726</u>
Balance on January 1, 2024	\$ 122,288	1,520,554	62,787	-	1,705,629
Additions	71,834	39,497	10,745	33,629	155,705
Reclassification to non-current assets held for sale	(34,800)	-	-	-	(34,800)
Less	-	(18,906)	(4,541)	-	(23,447)
Effect of movements in exchange rates	2,944	(12,989)	1,628	(365)	(8,782)
Balance on September 30, 2024	<u>\$ 162,266</u>	<u>1,528,156</u>	<u>70,619</u>	<u>33,264</u>	<u>1,794,305</u>
Accumulated depreciation and impairment loss:					
Balance on January 1, 2025	\$ 19,699	619,707	32,688	2,805	674,899
Depreciation	4,244	225,759	17,590	9,449	257,042
Less	-	(2,939)	(14,384)	-	(17,323)
Effect of movements in exchange rates	(196)	(2,428)	(1,710)	256	(4,078)
Balance on September 30, 2025	<u>\$ 23,747</u>	<u>840,099</u>	<u>34,184</u>	<u>12,510</u>	<u>910,540</u>
Balance on January 1, 2024	\$ 10,433	577,873	20,808	-	609,114
Depreciation	11,780	226,390	19,756	1,162	259,088
Reclassification to non-current assets held for sale	(4,603)	-	-	-	(4,603)
Less	-	(13,034)	(4,474)	-	(17,508)
Effect of movements in exchange rates	437	(9,356)	440	(6)	(8,485)
Balance on September 30, 2024	<u>\$ 18,047</u>	<u>781,873</u>	<u>36,530</u>	<u>1,156</u>	<u>837,606</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 September 30, 2025	<u>\$ 138,133</u>	<u>652,406</u>	<u>64,431</u>	<u>38,216</u>	<u>893,186</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 September 30, 2024	<u>\$ 144,219</u>	<u>746,283</u>	<u>34,089</u>	<u>32,108</u>	<u>956,699</u>

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

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

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

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

(m) Intangible assets

	<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 September 30, 2025	\$ 4,981,830	1,948,065	892,714	1,388,527	72,628	9,283,764
Balance at January 1, 2024 (Restated)	\$ 4,981,830	2,254,698	892,714	1,702,066	93,310	9,924,618
Balance at September 30, 2024	\$ 4,981,830	2,121,319	892,714	1,567,692	88,993	9,652,548

(i) There were no significant additions, disposals, recognitions or reversals of impairment losses of intangible assets for the nine months ended September 30, 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 September 30, 2025, December 31 and September 30, 2024, the Group did not provide any intangible assets as collateral for its loans.

(n) Short-term borrowings

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank loans	\$ 1,783,303	4,548,512	4,644,004
Unused short-term credit lines	\$ 18,652,700	13,455,336	13,075,877
Range of interest rates	1.80%~6.25%	1.81%~6.45%	1.81%~6.45%

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

(ii) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any assets as collaterals for its short-term borrowings.

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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(o) Short-term notes and bills payable

The details of short-term notes and bills payable were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial papers payable	<u>\$ -</u>	<u>-</u>	<u>200,000</u>

For the nine months ended September 30, 2024, the Group's short-term notes and bills payable has increased \$200,000 thousands, the rate is 1.71%.

(p) Accrued expenses and other payables

The accrued expenses and other payables were summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Dividends payable	\$ 70,434	75,421	75,284
Wages and salaries payable	887,043	880,824	806,065
Payables for equipment	30,784	195,911	192,210
Withholding tax payable	577,639	398,612	-
Income tax payable	166,083	301,122	140,472
Payables for remuneration due to employees and directors	18,119	33,153	23,246
Sales tax payable	165,714	240,439	-
Others	<u>944,476</u>	<u>1,029,187</u>	<u>1,583,406</u>
	<u>\$ 2,860,292</u>	<u>3,154,669</u>	<u>2,820,683</u>

(q) Other current liabilities

The other current liabilities were summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current refund liabilities	\$ 494,677	669,297	645,102
Provision for warranties	141,915	131,811	133,796
Employee benefit liabilities	72,176	70,644	68,234
Current contract liabilities	244,368	488,308	241,611
Others	<u>474,469</u>	<u>313,218</u>	<u>289,729</u>
Total	<u>\$ 1,427,605</u>	<u>1,673,278</u>	<u>1,378,472</u>

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

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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(r) Long-term borrowings

The long-term borrowings were summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 4,740,464	2,268,843	2,761,656
Secured bank loans	1,368,043	1,306,390	892,642
Less: current portion	<u>649,218</u>	<u>555,524</u>	<u>405,635</u>
Total	<u>\$ 5,459,289</u>	<u>3,019,709</u>	<u>3,248,663</u>
Unused long-term credit line	<u>\$ 7,887,230</u>	<u>4,922,665</u>	<u>4,886,300</u>
Range of interest rates	<u>1.355%~6.50%</u>	<u>1.355%~7.09%</u>	<u>1.36%~7.09%</u>

- (i) Please refer to note (6)(ac) for the interest risk and liquidity risk information of the Group.
- (ii) As of September 30, 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 September 30, 2025, December 31 and September 30, 2024, the Group pledged part of its property, plant and equipment as collaterals for its long-term borrowings. Please refer to note (8).
- (iv) On May 7, 2024, the Board of Directors resolved to dispose the Company's entire shares in its subsidiary, Sumray, resulting in the long-term borrowings of Sumray to be reclassified to liabilities classified as held-for-sale. Please refer to note 6(h) and 6(af) for details. The Company sold its subsidiary, Sumray in the first quarter of 2025, please refer to note(6)(j) for details.
- (v) Syndicated loan

The syndicated loan agreement entered into by the Group with six financial institutions on April 8, 2025, with Bank SinoPac as the lead bank, has total credit line of \$6,000,000, of which \$2,800,000 had been drawn down as of September 30, 2025. The main terms are as follows:

- 1) Credit Facility Structure:
 - a) Facility A: with the credit limit of \$4,000,000 and non-revolving facility, is intended for repaying existing borrowings from financial institutions and supplementing medium-term working capital.
 - b) Facilities B and C: with a combined credit limit of \$2,000,000 and revolving in nature, are intended to supplement medium-term working capital.
- 2) Maturity date: The date 3 years after the first drawdown date.

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

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

(s) 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Total convertible corporate bonds issued	\$ 4,000,000	4,000,000	4,000,000
Unamortized discounts on bonds payable	<u>(177,948)</u>	<u>(226,577)</u>	<u>(242,664)</u>
Balance of bonds payable as of the reporting date	<u>\$ 3,822,052</u>	<u>3,773,423</u>	<u>3,757,336</u>
Embedded derivatives – call options (recorded as financial assets at fair value through profit or loss – current)	<u>\$ 800</u>	<u>-</u>	<u>-</u>
Embedded derivatives – call options (recorded as financial assets at fair value through profit or loss – non-current)	<u>\$ -</u>	<u>400</u>	<u>1,200</u>
Embedded derivatives – put options (recorded as financial liabilities at fair value through profit or loss – current)	<u>\$ 26,000</u>	<u>-</u>	<u>-</u>

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Embedded derivatives – put options (recorded as financial liabilities at fair value through profit or loss – non- current)	\$ <u>-</u>	<u>60,800</u>	<u>46,800</u>
Equity component – conversion options (recorded as capital surplus)	\$ <u>347,756</u>	<u>347,756</u>	<u>347,756</u>
	<u>For the three months ended September 30,</u>	<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u> <u>2024</u>
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>28,800</u>	<u>(10,000)</u>	<u>35,200</u> <u>(23,600)</u>
Interest expenses	\$ <u>16,364</u>	<u>(16,087)</u>	<u>(48,629)</u> <u>(47,806)</u>

There were no significant changes on the second unsecured convertible bonds for the three months ended March 31, 2025. The bondholders have the right to request the Company to repurchase the bonds at par value with 40 days before three years after the issuance date (May 4, 2026). The Group classified all the above-mentioned convertible corporate bonds as current liabilities starting since the second quarter of 2025. However, it does not mean that all the convertible corporate bonds will be fully settled in the following year. Please refer to note 6(s) to the 2024 annual consolidated financial statements for other related information.

(t) Lease liabilities

The details of lease liabilities were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current	\$ <u>308,117</u>	<u>304,862</u>	<u>227,468</u>
Non-current	\$ <u>514,278</u>	<u>699,066</u>	<u>650,578</u>

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

(Continued)

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

The amounts recognized in profit or loss were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 6,723</u>	<u>7,070</u>	<u>21,837</u>	<u>21,657</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 12,178</u>	<u>11,224</u>	<u>33,272</u>	<u>37,744</u>
Expenses relating to short-term leases	<u>\$ 6,540</u>	<u>7,745</u>	<u>19,405</u>	<u>24,308</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 3,712</u>	<u>3,968</u>	<u>11,111</u>	<u>11,938</u>

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

	For the nine months ended	
	September 30,	
	2025	2024
Total cash outflow for leases	<u>\$ 347,114</u>	<u>357,292</u>

A resolution had been approved during Company's board meeting held on May 7, 2024 for the Group to dispose the entire equity interest of Sumray, resulting in Sumray's lease liabilities and borrowings to be reclassified to liabilities held for sale in the 3rd and 4th quarter of 2024. Please refer to note 6(h) and 6(af) for more details.

(i) Real estate leases

The Group leases land and buildings for its office and operating space. The leases of land run for a period of 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.

(Continued)

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

(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.

(u) 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		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
The Group	<u>\$ 7,042</u>	<u>21,767</u>	<u>13,860</u>	<u>35,208</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.

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
The Group	<u>\$ 17,054</u>	<u>17,080</u>	<u>51,395</u>	<u>51,625</u>

(iii) The pension expenses recognized by the other subsidiaries included in the consolidated financial statements for the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
The Group	<u>\$ 88,992</u>	<u>85,028</u>	<u>278,417</u>	<u>250,270</u>

(Continued)

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

(v) Income taxes

(i) Income tax expenses

The details of income tax expenses were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and deferred tax expense	<u>\$ 139,320</u>	<u>27,534</u>	<u>254,267</u>	<u>194,620</u>

(ii) The amounts of income tax expenses directly recognized in equity were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Disposal of equity instrument measured at fair value through other comprehensive income	<u>\$ -</u>	<u>-</u>	<u>132,580</u>	<u>-</u>

(iii) The amounts of income tax expenses (benefits) recognized in other comprehensive income were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Items that may not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) from financial instrument measured at fair value through other comprehensive income	<u>\$ -</u>	<u>(15,098)</u>	<u>(3,418)</u>	<u>(28,419)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(iv) Assessment of tax

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

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

(w) Capital and other equities

As of September 30, 2025, December 31 and September 30, 2024, the Company's authorized common stock consisting of 1,500,000 thousand shares with a par value of \$10 per share amounted to \$15,000,000, of which 856,029 thousand, 858,737 thousand and 858,833 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for the nine months ended September 30, 2025 and 2024 were as follows:

	(in thousands of shares)	
	For the nine months ended	
	September 30,	
	2025	2024
Balance on January 1	858,737	862,119
Cancellation of employee restricted stock	(2,708)	(3,286)
Balance on September 30	<u>856,029</u>	<u>858,833</u>

In August, 2022, the Company issued 9,670 thousand restricted stocks at zero cost, of which, 2,708 thousand and 3,286 thousand shares were cancelled for the nine months ended September 30, 2025 and 2024 due to failure of the employees meeting their vesting requirements. The remaining 2,448 thousand shares have not been registered for change as of the reporting date.

(i) Capital surplus

The details of capital surplus were as follows:

	September 30,	December 31,	September 30,
	2025	2024	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
	<u>\$ 10,049,869</u>	<u>10,221,596</u>	<u>10,218,507</u>

On March 12, 2025, the Company's Board resolved to distribute the cash dividends of \$171,727 from capital surplus, at \$0.20003728 per share. Related information shall be inquired at the Market Observation Post System website.

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

(ii) Retained Earnings

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

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

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

1) Legal reserve

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

2) Special reserve

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

(Continued)

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

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:

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

(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	(581,191)	-	-	(581,191)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	86,742	-	86,742
Accumulated gain or loss on disposal of investments in equity instruments designated at fair value through other comprehensive income are transferred to retained earnings	-	167,540	-	167,540
Compensation cost of share-based payment transaction	-	-	27,080	27,080
Balance on September 30, 2025	\$ (216,747)	(5,312)	-	(222,059)

(Continued)

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

	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, 2024	\$ (105,099)	(162,208)	(139,472)	(406,779)
Exchange differences on foreign operations	265,774	-	-	265,774
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(121,138)	-	(121,138)
Compensation cost of share-based payment transaction	-	-	60,489	60,489
Cancelled restricted stock for employees	-	-	50,943	50,943
Balance on September 30, 2024	<u>\$ 160,675</u>	<u>(283,346)</u>	<u>(28,040)</u>	<u>(150,711)</u>

(x) Share-based payment

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

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

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

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

(in thousands of shares)

	For the nine months ended	
	September 30,	
	2025	2024
Outstanding shares on January 1	2,708	6,090
Cancelled during the period	(2,708)	(3,286)
Outstanding shares on September 30	<u>-</u>	<u>2,804</u>

The fair value of the abovementioned employee stock options, which was the closing price of the Company at grant date on August 2022, was \$31.35, resulting in the capital surplus of \$206,454. Furthermore, the unearned stock-based employee remunerations of \$0 and \$28,040 were recognized under equity as of September 30, 2025 and 2024, respectively.

The Company reversed the unearned compensation costs of \$111,938 and salary expenses of \$51,450 due to the failure to meet the terms of the employee evaluation for the nine months ended September 30, 2024.

(y) Earnings per share

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Basic earnings per share				
Profit (Loss) attributable to continuing operations of the Company	\$ 254,361	(230,983)	(334,537)	(174,437)
Profit attributable to discontinued operations of the Company	<u>-</u>	<u>8,741</u>	<u>5,965</u>	<u>5,861</u>
Profit (Loss) attributable to ordinary shareholders of the Company	<u>\$ 254,361</u>	<u>(222,242)</u>	<u>(328,572)</u>	<u>(168,576)</u>
Weighted-average number of ordinary shares (in thousands)	<u>856,029</u>	<u>856,029</u>	<u>856,029</u>	<u>856,029</u>
Earnings (Loss) per Share – Continuing operations	0.30	(0.27)	(0.39)	(0.21)
Earnings per Share – Discontinuing operations	<u>-</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
Basic earnings (loss) per share	<u>\$ 0.30</u>	<u>(0.26)</u>	<u>(0.38)</u>	<u>(0.20)</u>

(Continued)

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Diluted earnings per share				
Profit (Loss) attributable to continuing operations of the Company	\$	254,361		
Effect of dilutive potential ordinary shares:				
Interest expense and other gains or losses of convertible bonds		(12,436)		
Profit attributable to ordinary shareholders of the Company (diluted)	\$	241,925		
Loss attributable to discontinued operations of the Company		-		
	\$	241,925		
Weighted-average number of ordinary shares (in thousands)		856,029		
Effect of dilutive potential ordinary shares:				
Effect of convertible bonds conversions		86,768		
Weighted-average number of ordinary shares (diluted) (in thousands)		942,797		
Earnings per Share – Continuing operations	\$	0.26		
Earnings per Share – Discontinuing operations		-		
Diluted earnings per share	\$	0.26		

Note: Due to the net loss after tax for the nine months ended September 30, 2025 and 2024 and for the three months ended September 30, 2024, all potential common shares of the Group were anti-dilutive.

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

(z) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Primary geographical markets:				
Mainland China	\$ 1,546,695	2,049,447	4,551,820	5,666,501
USA	4,315,902	3,530,031	11,076,722	9,696,140
Taiwan	933,560	1,153,690	3,138,711	3,505,148
Others	<u>1,274,660</u>	<u>1,691,890</u>	<u>3,761,876</u>	<u>4,681,211</u>
	<u>\$ 8,070,817</u>	<u>8,425,058</u>	<u>22,529,129</u>	<u>23,549,000</u>
Major products/services line				
Power supplies and components	\$ 7,600,158	7,825,304	21,128,213	21,677,728
Metal parts and others	<u>470,659</u>	<u>599,754</u>	<u>1,400,916</u>	<u>1,871,272</u>
	<u>\$ 8,070,817</u>	<u>8,425,058</u>	<u>22,529,129</u>	<u>23,549,000</u>

(ii) Contract balances

	September 30,	December 31,	September 30,
	2025	2024	2024
Notes and accounts receivable (including related parties)	\$ 8,209,818	9,181,932	8,532,383
Less: allowance for impairment	<u>(39,217)</u>	<u>(35,764)</u>	<u>(38,434)</u>
Total	<u>\$ 8,170,601</u>	<u>9,146,168</u>	<u>8,493,949</u>
Contract liabilities	<u>\$ 244,368</u>	<u>488,308</u>	<u>241,611</u>

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

The amount of revenue recognized for the nine months ended September 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$322,757 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.

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

(aa) Remuneration to employees and directors

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

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

The Company incurred a net loss before tax for the nine months ended September 30, 2025 and 2024; therefore, no employee and director remuneration was accrued.

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

(ab) Other income and losses

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Gains (losses) on disposal of investments	\$ -	-	(20,101)	8,032
Acquisition-related costs	-	-	-	(170,222)
Others	1,225	3,567	28,302	54,175
	<u>1,225</u>	<u>3,567</u>	<u>8,201</u>	<u>(108,015)</u>

(ac) 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.

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

(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 nine months ended	
	September 30,	
	2025	2024
Balance on January 1	\$ 189,976	179,130
Impairment loss recognized (reversal of impairment loss)	(2)	10
Foreign exchange gains (losses)	(402)	655
Balance on September 30	\$ 189,572	179,795

(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>
September 30, 2025					
Non-derivative financial liabilities:					
Bank loans	\$ 7,891,810	(8,293,732)	(2,557,099)	(948,561)	(4,788,072)
Notes and accounts payable (including related parties)	6,697,531	(6,697,531)	(6,697,531)	-	-
Accrued expenses and other payables	2,694,209	(2,694,209)	(2,694,209)	-	-
Lease liabilities	822,395	(878,612)	(336,606)	(208,837)	(333,169)
Bonds payable	3,822,052	(4,000,000)	(4,000,000)	-	-
Guarantee deposits received	6,623	(6,623)	-	-	(6,623)
Exchange contracts not used for hedging:					
Outflow	3,210	(396,108)	(396,108)	-	-
Inflow	-	392,137	392,137	-	-
Forward exchange contracts used for hedging:					
Outflow	177	(213,289)	(213,289)	-	-
Inflow	-	212,108	212,108	-	-
	<u>\$ 21,938,007</u>	<u>(22,575,859)</u>	<u>(16,290,597)</u>	<u>(1,157,398)</u>	<u>(5,127,864)</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>(18,568,508)</u>	<u>(886,419)</u>	<u>(3,115,040)</u>

(Continued)

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

September 30, 2024	Carrying Amount	Contractual cash flows	Within a year	1 ~ 2 years	Over 2 years
Non-derivative financial liabilities:					
Bank loans	\$ 8,298,302	(8,644,085)	(5,155,052)	(691,453)	(2,797,580)
Short-term notes and bills payable	200,000	(200,000)	(200,000)	-	-
Notes and accounts payable (including related parties)	6,014,503	(6,014,503)	(6,014,503)	-	-
Accrued expenses and other payables	2,680,211	(2,680,211)	(2,680,211)	-	-
Lease liabilities	878,046	(951,570)	(259,008)	(207,947)	(484,615)
Bonds payable	3,757,336	(4,000,000)	-	-	(4,000,000)
Guarantee deposits received	10,912	(10,912)	-	-	(10,912)
Exchange contracts not used for hedging:					
Outflow	1,718	(112,377)	(112,377)	-	-
Inflow	-	110,838	110,838	-	-
Forward exchange contracts used for hedging:					
Outflow	1,179	(95,004)	(95,004)	-	-
Inflow	-	95,709	95,709	-	-
	\$ 21,842,207	(22,502,115)	(14,309,608)	(899,400)	(7,293,107)

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:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets									
Monetary items									
USD to NTD	\$ 125,208	30.46986	3,815,070	182,045	32.8373	5,977,866	210,542	31.66802	6,667,448
USD to CNY	38,020	7.11944	1,158,464	32,252	7.2993	1,059,068	39,609	7.01259	1,254,339
CNY to NTD	733,731	4.27981	3,140,229	445,832	4.49869	2,005,659	444,816	4.51588	2,008,736
Non-monetary items									
USD to NTD	2,616	30.46986	79,720	2,510	32.8373	82,415	1,858	31.66802	58,833
Financial liabilities									
Monetary items									
USD to NTD	124,503	30.46986	3,793,589	113,182	32.8373	3,716,591	115,972	31.66802	3,672,604
USD to CNY	8,032	7.11944	244,734	8,380	7.2993	275,176	10,151	7.01259	321,462
CNY to NTD	158,415	4.27981	677,986	237,986	4.49869	1,070,625	219,544	4.51588	991,434

(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 nine months ended September 30, 2025 and 2024 would have affected the net profit before tax as followings:

	For the nine months ended September 30,	
	2025	2024
USD (against the NTD)		
Strengthening 5%	\$ 1,074	149,742
Weakening 5%	(1,074)	(149,742)
USD (against the CNY)		
Strengthening 5%	\$ 45,687	46,644
Weakening 5%	(45,687)	(46,644)
CNY (against the NTD)		
Strengthening 5%	\$ 123,112	50,865
Weakening 5%	(123,112)	(50,865)

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 and nine months ended September 30, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$93,691, \$(117,438), \$(443,320) and \$166,965, respectively.

4) Interest rate analysis

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

	Carrying amount	
	September 30, 2025	September 30, 2024
Fixed rate instruments:		
Financial assets	<u>\$ 6,364,703</u>	<u>4,721,000</u>
Financial liabilities	<u>\$ 1,723,303</u>	<u>4,844,004</u>

(Continued)

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

	Carrying amount	
	September 30, 2025	September 30, 2024
Variable rate instruments:		
Financial assets	\$ 1,362,327	3,232,225
Financial liabilities	\$ 6,168,507	3,654,298

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 nine months ended September 30, 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 nine months ended September 30,	
	2025	2024
0.25% increase	\$ (9,012)	(791)
0.25% decrease	9,012	791

(iv) Fair value of financial instruments

1) Fair value hierarchy

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

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	September 30, 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	\$ 800	-	-	800	800
Mandatorily measured at fair value through profit or loss — limited partnership	<u>209,318</u>	-	-	209,318	209,318
Subtotal	<u>210,118</u>				
Financial assets for hedging	<u>15</u>	-	15	-	15
Financial assets at fair value through other comprehensive income	<u>80,720</u>	79,720	-	1,000	80,720
Financial assets at amortized cost					
Cash and cash equivalents	6,337,572	-	-	-	-
Time deposits (current and non-current)	1,816,110	-	-	-	-
Notes receivable	66,738	-	-	-	-
Accounts receivable (including related parties)	8,103,863	-	-	-	-
Other receivables	197,747	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	<u>178,538</u>	-	-	-	-
Subtotal	<u>16,700,568</u>				
Total	<u>\$ 16,991,421</u>				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities — exchange contracts	\$ 3,210	-	3,210	-	3,210
Convertible bonds — embedded derivatives	<u>26,000</u>	-	-	26,000	26,000
Subtotal	<u>29,210</u>				
Financial liabilities for hedging	<u>177</u>	-	177	-	177
Financial liabilities at amortized cost					
Bank loans	7,891,810	-	-	-	-
Notes and accounts payable (including related parties)	6,697,531	-	-	-	-
Accrued expenses and other payables	2,694,209	-	-	-	-
Lease liabilities	822,395	-	-	-	-
Bonds payable	3,822,052	-	-	-	-
Guarantee deposits received (recognized as other non-current liabilities)	<u>6,623</u>	-	-	-	-
Subtotal	<u>21,934,620</u>				
Total	<u>\$ 21,964,007</u>				

(Continued)

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

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

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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	September 30, 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	\$ 1,200	-	-	1,200	1,200
Mandatorily measured at fair value through profit or loss — limited partnership	<u>259,621</u>	-	-	259,621	259,621
Subtotal	<u>260,821</u>				
Financial assets at fair value through other comprehensive income	<u>59,833</u>	58,833	-	1,000	59,833
Financial assets at amortized cost					
Cash and cash equivalents	7,195,610	-	-	-	-
Time deposits (current and non-current)	1,053,530	-	-	-	-
Notes receivable	195,322	-	-	-	-
Accounts receivable (including related parties)	8,298,627	-	-	-	-
Other receivables	105,786	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	<u>164,305</u>	-	-	-	-
Subtotal	<u>17,013,180</u>				
Total	<u>\$ 17,333,834</u>				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities — exchange contract	\$ 1,718	-	1,718	-	1,718
Convertible bonds — embedded derivatives	<u>46,800</u>	-	-	46,800	46,800
Subtotal	<u>48,518</u>				
Financial liabilities at amortized cost					
Bank loans	8,298,302	-	-	-	-
Short-term notes and bills payable	200,000	-	-	-	-
Notes and accounts payable (including related parties)	6,014,503	-	-	-	-
Accrued expenses and other payables (restated)	2,680,211	-	-	-	-
Lease liabilities	878,046	-	-	-	-
Bonds payable	3,757,336	-	-	-	-
Guarantee deposits received (recognized as other non-current liabilities)	<u>10,912</u>	-	-	-	-
Subtotal	<u>21,839,310</u>				
Total	<u>\$ 21,887,828</u>				

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

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

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

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

3) Valuation technique for financial instruments measured at fair value

a) Non-derivative financial instruments

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

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

b) Derivative financial instruments

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

4) Transfers between Level 1 and Level 3

There was no transfer among fair value hierarchy during January 1 to September 30 in 2025 and 2024.

5) Reconciliation of Level 3 fair values

	<u>Fair value through profit or loss</u>			<u>Fair value through other comprehensive income</u>
	<u>Investment of limited partnership</u>	<u>Derivative financial assets – convertible bonds</u>	<u>Derivative financial liabilities – convertible bonds</u>	<u>Unquoted equity instruments</u>
Opening balance, January 1, 2025	\$ 222,187	400	(60,800)	1,000
Total gains and losses recognized:				
In profit or loss	20,437	400	34,800	-
In other comprehensive income	-	-	-	-
Purchased	22,400	-	-	-
Proceeds from capital reduction of investment	(55,706)	-	-	-
Ending Balance, September 30, 2025	<u>\$ 209,318</u>	<u>800</u>	<u>(26,000)</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	41,276	(4,800)	(18,800)	-
In other comprehensive income	-	-	-	-
Proceeds from capital reduction of investment	(6,248)	-	-	-
Ending balance, September 30, 2024	<u>\$ 259,621</u>	<u>1,200</u>	<u>(46,800)</u>	<u>1,000</u>

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – investment of limited partnership	Net asset value method	Net asset value	The higher the net asset is, the higher the fair value will be.
Financial assets and liabilities at fair value through profit or loss – call and put options of convertible bonds	Binomial convertible bonds pricing models	Volatility (39.02%, 32.76% and 31.69% on September 30, 2025, December 31 and September 30, 2024, respectively)	The higher the volatility is, the higher the fair value will be.

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

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

	<u>Input</u>	<u>Move up or down</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
September 30, 2025				
Financial assets and liabilities at fair value through profit or loss – call and put options of convertible bonds	Volatility	5 %	5,600	(8,000)
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)
September 30, 2024				
Financial assets and liabilities at fair value through profit or loss – call and put options of convertible bonds	Volatility	5 %	5,600	(8,000)

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

- (ad) 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.

- (ae) 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
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(af) 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 nine months ended September 30, 2025 and 2024: the acquisition of right of use assets under lease, please refer to note (6)(l).
- (ii) Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes			September 30, 2025
			Acquisition	Foreign exchange movement	Other	
Long-term borrowings (including current portion)	\$ 3,575,233	2,550,608	-	(17,334)	-	6,108,507
Short-term borrowings	4,548,512	(2,751,731)	-	(13,478)	-	1,783,303
Lease liabilities	1,003,928	(261,489)	96,737	(16,781)	-	822,395
Bonds payable	3,773,423	-	-	-	48,629	3,822,052
Guarantee deposits received	22,901	(9,307)	-	(6,971)	-	6,623
Total liabilities from financing activities	<u>\$ 12,923,997</u>	<u>(471,919)</u>	<u>96,737</u>	<u>(54,564)</u>	<u>48,629</u>	<u>12,542,880</u>

	January 1, 2024	Cash flows	Non-cash changes			September 30, 2024
			Acquisition	Foreign exchange movement	Reclassification to liabilities held-for-sale	
Long-term borrowings (including current portion)	\$ 4,258,554	1,434,175	-	38,149	(2,076,580)	3,654,298
Short-term borrowings	4,112,120	553,792	-	(21,908)	-	4,644,004
Short-term notes and bills payable	-	200,000	-	-	-	200,000
Lease liabilities	1,033,867	(261,645)	149,834	(10,474)	(33,536)	878,046
Bonds payable	3,709,530	-	-	-	47,806	3,757,336
Guarantee deposits received	320,132	308,736	-	-	(617,956)	10,912
Total liabilities from financing activities	<u>\$ 13,434,203</u>	<u>2,235,058</u>	<u>149,834</u>	<u>5,767</u>	<u>(2,728,072)</u>	<u>13,144,596</u>

(7) Related-party transactions

(a) Names and relationship with the Group

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

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

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

<u>Names and relationship with related parties</u>	<u>Relationship with the Group</u>
Compal Electronics Technology (Kunshan) Co., Ltd.	Other related parties
Compal Electronics (Chengdu) Co., Ltd. (Compal Chengdu)	Other related parties
Compal Electronics (Chongqing) Co. Ltd.	Other related parties
Compal Electronics, Inc.	Other related parties
Compal (Vietnam) Co., Ltd.	Other related parties
Kunshan Botai Electronics Co., Ltd.	Other related parties
Kinpo Electronics, Inc.	The entity with significant influence over the Group
Rayonnant Technology Taicang Co., Ltd.	Other related parties
Cal-Comp Optical Electronics (Yue Yang) Ltd.	Other related parties
Cal-Comp Precision (Philippines) Ltd.	Other related parties
Compal SMART Device (Chongqing) Co., Ltd	Other related parties
Palcom International Corporation	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:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Other related parties — sales revenue	\$ 283,766	460,533	949,645	1,171,061
Other related parties — service revenue	<u>14,522</u>	<u>16,014</u>	<u>44,552</u>	<u>43,981</u>
	<u>\$ 298,288</u>	<u>476,547</u>	<u>994,197</u>	<u>1,215,042</u>

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

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(ii) Purchases

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Other related parties	\$ 2,197	31,995	15,364	84,962

(iii) Receivables from related parties

The receivables due from related parties were as follows:

Account	Related party categories	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	Other related parties	\$ 480,886	713,953	896,428
Other receivables	Other related parties	\$ 161	-	1,657

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Related party categories	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable	Other related parties	\$ 39,804	29,621	7,585
Other payables	Other related parties	\$ 126	126	15,068

(v) Property transactions

- 1) For the year ended December 31, 2023, the Group purchased equipment amounting to \$35,653, from an entity (which has significant influence on the Group) and other related parties. As of December 31 and September 30, 2024, the related payables of \$2,482 and \$6,464, respectively, were recognized as “other payables”. All amounts were fully settled as of September 30, 2025.
- 2) On March 12, 2024, the Board of Directors resolved to sell 15% equity in AcSacca to associates. The disposal price 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 nine months ended September 30, 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
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(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 23,262	26,026	69,011	79,878
Post-employment benefits	342	379	979	1,134
Share-based payments	-	1,228	-	(12,033)
	<u>\$ 23,604</u>	<u>27,633</u>	<u>69,990</u>	<u>68,979</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Assets	Pledged to secure	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits paid (recognized as other non-current assets)	Guarantee for import duty, performance bonds and lease plant for deposit, etc.	\$ 106,145	100,704	100,126
Property, plant and equipment	Long-term borrowings	<u>1,287,915</u>	<u>1,340,843</u>	<u>1,358,486</u>
		<u>\$ 1,394,060</u>	<u>1,441,547</u>	<u>1,458,612</u>

(9) Commitments and contingencies:

(a) Significant commitments unrecognized:

- (i) As of September 30, 2025, December 31 and September 30, 2024, the balances of the unpaid contract price on purchases of machinery and equipment, as well as other related contracts such as decoration projects from domestic and overseas suppliers which were not yet due and payable amounted to \$189,681, \$180,048 and \$275,650, respectively.
- (ii) As of September 30, 2025, December 31 and September 30, 2024, the balances of the unpaid contract price for energy construction which were not yet due and payable amounted to \$85,794, \$515,169 (of which, the amount of \$324,176 was recognized as disposal group held-for-sale) and \$771,016,(of which, the amount of \$617,636 was recognized as disposal group held-for-sale) respectively.
- (iii) As of September 30, 2025, December 31 and September 30, 2024, the Group opened letters of credit with banks for the purchase performance guarantee amounting to \$0, \$65,675 and \$63,336, 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

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ACBEL POLYTECH INC. AND SUBSIDIARIES
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(11) Subsequent events:

- (a) On November 12, 2025, the Company resolved in the board meeting to inject \$1,200,000 in cash into Kinpo & Compal Group Assets Development Corporation for the Group headquarters construction project.
- (b) In October 2025, AcLeap Power transferred its trademark rights, patent rights, and accounts receivable related to royalty income to OmniOn Power (CH) for a transaction amount of US\$138,241, and reversed the related prepaid income tax. The impact on profit or loss was \$263,099.
- (c) On November 10, 2025, AcAmple Power resolved in the board meeting to issue new shares for capital increase as consideration for AcBel-SGP's transfer of shares in AcRise Power. After the transfer, AcAmple Power held 100% equity interest in AcRise Power.

(12) Other:

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

By function	For the three months ended September 30,					
	2025			2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	489,651	845,880	1,335,531	499,279	874,188	1,373,467
Labor and health insurance	31,638	54,746	86,384	34,801	109,396	144,197
Pension	53,376	59,712	113,088	64,265	59,610	123,875
Remuneration of directors	-	7,088	7,088	-	6,616	6,616
Others	59,351	65,927	125,278	70,003	44,748	114,751
Depreciation	214,580	108,171	322,751	213,589	108,099	321,688
Amortization	1,601	94,392	95,993	1,200	94,641	95,841

By function	For the nine months ended September 30,					
	2025			2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	1,354,307	2,579,498	3,933,805	1,462,185	2,527,096	3,989,281
Labor and health insurance	101,832	184,738	286,570	120,758	271,344	392,102
Pension	160,717	182,955	343,672	166,261	170,842	337,103
Remuneration of directors	-	20,349	20,349	-	22,076	22,076
Others	192,529	196,701	389,230	216,905	118,132	335,037
Depreciation (Note)	653,083	327,338	980,421	636,812	318,740	955,552
Amortization	4,826	283,021	287,847	3,390	287,222	290,612

Note: For the nine months ended September 30, 2025 and 2024 the depreciation on right-of-use assets during construction period had been capitalized at \$197 and \$1,128.

(Continued)

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

(b) Discontinued operation:

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

The operating result and cash flows of the discontinued operation:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
The operating result of discontinuing operation:				
Operating income	\$ -	32,669	28,488	32,669
Operating costs	-	(18,722)	(17,548)	(18,722)
Gross income (loss)	-	13,947	10,940	13,947
Operating expenses	-	(98)	(124)	(3,780)
Net operating income (loss)	-	13,849	10,816	10,167
Non-operating income and expenses				
Other income and expenses	-	1	-	-
Interest expense	-	(3,746)	(3,523)	(4,166)
Interest revenue	-	103	163	1,326
	-	10,207	7,456	7,327
Income tax	-	(1,466)	(1,491)	(1,466)
Net Income	<u>\$ -</u>	<u>8,741</u>	<u>5,965</u>	<u>5,861</u>
The cash flows of the discontinuing operation:				
Cash flow from operating activities	\$ -	(11,274)	75,999	(103,111)
Cash flow from investing activities	-	3,552	(90,104)	(1,791,241)
Cash flow from financing activities	-	(4,759)	(4,265)	1,770,786
Net cash flow	<u>\$ -</u>	<u>(12,481)</u>	<u>(18,370)</u>	<u>(123,566)</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 cyclicity factors.

(Continued)

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 nine months ended September 30, 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 September 30, 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 September 30, 2025			
	Power Supplies Segment	Metal parts & Others	Adjustment & Elimination	Total
Revenue				
Revenue from external customers	\$ 7,743,758	327,059	-	8,070,817
Revenue from segments	76,000	21,767	(97,767)	-
Total revenue	<u>\$ 7,819,758</u>	<u>348,826</u>	<u>(97,767)</u>	<u>8,070,817</u>
Reportable segment profit	<u>\$ 386,773</u>	<u>7,142</u>	<u>-</u>	<u>393,915</u>

(Continued)

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

	For the three months ended September 30, 2024			
	Power Supplies Segment	Metal parts & Others	Adjustment & Elimination	Total
Revenue				
Revenue from external customers	\$ 8,046,743	378,315	-	8,425,058
Revenue from segments	624	23,331	(23,955)	-
Total revenue	<u>\$ 8,047,367</u>	<u>401,646</u>	<u>(23,955)</u>	<u>8,425,058</u>
Reportable segment profit	<u>\$ (211,438)</u>	<u>8,405</u>	<u>-</u>	<u>(203,033)</u>
	For the nine months ended September 30, 2025			
	Power Supplies Segment	Metal parts & Others	Adjustment & Elimination	Total
Revenue				
Revenue from external customers	\$ 21,585,896	943,233	-	22,529,129
Revenue from segments	86,310	63,106	(149,416)	-
Total revenue	<u>\$ 21,672,206</u>	<u>1,006,339</u>	<u>(149,416)</u>	<u>22,529,129</u>
Reportable segment profit	<u>\$ (77,313)</u>	<u>(5,084)</u>	<u>-</u>	<u>(82,397)</u>
	For the nine months ended September 30, 2024			
	Power Supplies Segment	Metal parts & Others	Adjustment & Elimination	Total
Revenue				
Revenue from external customers	\$ 22,536,784	1,012,216	-	23,549,000
Revenue from segments	1,869	70,703	(72,572)	-
Total revenue	<u>\$ 22,538,653</u>	<u>1,082,919</u>	<u>(72,572)</u>	<u>23,549,000</u>
Reportable segment profit	<u>\$ (36,837)</u>	<u>64,233</u>	<u>-</u>	<u>27,396</u>

ACBEL POLYTECH INC.

Notes to the Financial Statements

Table 1 Loans to other parties
September 30, 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, 5, 6, and 7)	Maximum limit of fund financing (note 2, 3, 4, 5, 6, and 7)
													Item	Value		
0	The Company	AcBel-PHI	Other receivables related parties	Yes	265,878 (USD 8,000 thousand)	-	-	-	Short-term financing	-	Business turnover	-	-	-	8,673,397	8,673,397
0	The Company	AcTek	Other receivables related parties	Yes	100,000	-	-	-	Short-term financing	-	Business turnover	-	-	-	8,673,397	8,673,397
0	The Company	AcTel	Other receivables related parties	Yes	50,000	50,000	50,000	2.32159%	Short-term financing	-	Business turnover	-	-	-	8,673,397	8,673,397
0	The Company	AcTek	Other receivables related parties	Yes	150,000	150,000	20,000	2.11334%	Short-term financing	-	Business turnover	-	-	-	8,673,397	8,673,397
0	The Company	AcBel-PHI	Other receivables related parties	Yes	239,472 (USD 8,000 thousand)	-	-	-	Short-term financing	-	Business turnover	-	-	-	8,673,397	8,673,397
1	SINO	Kanghua-Chongqing	Other receivables	Yes	68,636 (RMB 15,000 thousand)	64,197 (RMB 15,000 thousand)	51,358 (RMB 12,000 thousand)	3.5%	Short-term financing	-	Business turnover	-	-	-	1,304,309	1,304,309
1	SINO	SINO-Tongliang	Other receivables	Yes	228,786 (RMB 50,000 thousand)	213,991 (RMB 50,000 thousand)	42,798 (RMB 10,000 thousand)	3.1%	Short-term financing	-	Business turnover	-	-	-	1,304,309	1,304,309
2	OmniOn Power (Shanghai)	OmniOn Power (China)	Other receivables	Yes	457,572 (RMB 100,000 thousand)	427,981 (RMB 100,000 thousand)	368,594 (RMB 86,124 thousand)	2.83%	Short-term financing	-	Business turnover	-	-	-	1,669,639	1,669,639
3	OmniOn Power (DE)	OmniOn Power (US)	Other receivables	Yes	166,174 (USD 5,000 thousand)	152,349 (USD 5,000 thousand)	121,879 (USD 4,000 thousand)	5.8%	Short-term financing	-	Business turnover	-	-	-	264,952	264,952
3	OmniOn Power (DE)	OmniOn Power (EU)	Other receivables	Yes	30,470 (USD 1,000 thousand)	30,470 (USD 1,000 thousand)	6,094 (USD 200 thousand)	5.52%	Short-term financing	-	Business turnover	-	-	-	264,952	264,952
4	AcLeap	OmniOn Power (CH)	Other receivables	Yes	3,500,000	2,000,000	-	2.725%	Business dealings	4,500,000	-	-	-	-	3,751,884	3,751,884
5	OmniOn Power (US)	AcLeap	Other receivables	Yes	4,500,000	4,500,000	-	5.1%	Short-term financing	-	Business turnover	-	-	-	5,872,687	5,872,687

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

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

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

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

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

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

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

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

2. Aggregate lending limit to individual borrowers:

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

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

Note 8 : The accordance of the exchange rate is based on the end of the reporting date.

Note 9 : 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
September 30, 2025

Unit: thousand dollars

No. (note 1)	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 2, 3, and 4)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (note 6)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary (note 5)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company (note 5)	Endorsements/ guarantees to third parties on behalf of companies in Mainland China (note 5)
		Name	Relationship with the Company										
0	The Company	AcBel-PHI	note 8	21,683,495	498,522 (USD 15,000 thousand)	457,048 (USD 15,000 thousand)	163,103 (USD 5,353 thousand)	-	2.11%	21,683,495	Y	N	N
0	"	Kinpo & Compal Group	note 9	21,683,495	6,600,000	6,600,000	1,523,582	-	30.44%	21,683,495	N	N	N
0	"	AcTel Power	note 8	21,683,495	126,000	126,000	-	-	0.58%	21,683,495	Y	N	N
1	OmniOn Power	OmniOn Power (US)	"	7,058,839	13,294 (USD 400 thousand)	12,188 (USD 400 thousand)	12,188 (USD 400 thousand)	-	0.17%	7,058,839	N	N	N
2	OmniOn Overseas	OmniOn Power (US)	"	1,168,479	13,294 (USD 400 thousand)	12,188 (USD 400 thousand)	12,188 (USD 400 thousand)	-	1.04%	1,168,479	N	N	N

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

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

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

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

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

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

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

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

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

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

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

ACBEL POLYTECH INC.
Notes to the Financial Statements

Table 3 Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):
September 30, 2025

Unit: thousand dollars/ thousand units

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Holding percentage (%)	Fair value	
The Company	Limited partnership : Zoyi Capital Fund II	None	Non-current financial assets at fair value through profit or loss	-	209,318	-	209,318	Note 1

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

ACBEL POLYTECH INC.
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Table 4 Related party transactions for purchases and sale with amount exceeding the lower of NT\$100 million or 20% of the capital stock:
September 30, 2025

Unit: thousand dollars

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchase/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/ accounts receivable (payable)	
The Company	AcBel-PHI	A grandson company	Purchases	1,427,687	19.99%	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	740,537	10.37%	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	(1,020,081)	(27.75%)	"
"	API-WUHAN	"	"	185,501	2.60%	Depending on the demand for funding of API-WUHAN	"	"	-	-%	"
AcBel-PHI	The Company	Parent Company	Sales	(1,427,687)	(93.52%)	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	(740,537)	(23.84%)	Depending on the demand for funding of API-PRC	According to the need of operating cost	Receivables depending on demand for funding	1,020,081	42.32%	"
API-WUHAN	"	"	"	(185,501)	(8.08%)	Depending on the demand for funding of API-WH	"	"	-	-%	"
SINO	Compal Information (KunShan)	Other related party	Sales	(213,861)	(30.97%)	OA120	Similar to general customers	OA120	125,803	23.69%	-
"	Compal Vietnam	"	"	(136,894)	(19.83%)	"	"	"	56,828	10.70%	-
OmniOn Power (Shanghai)	OmniOn Power (SG)	Ultimately same as the parent company	"	(151,760)	(9.02%)	OA60	"	OA60	11,909	1.30%	Note 2
OmniOn Power (US)	OmniOn Power (DE)	"	"	(284,584)	(3.05%)	"	"	"	39,039	0.90%	"
"	OmniOn Power (SG)	"	"	(386,952)	(4.15%)	"	"	"	35,989	0.83%	"
OmniOn Power (Shanghai)	OmniOn Power (China)	"	"	(116,615)	(6.93%)	"	"	"	241,109	26.33%	"
OmniOn Power (Matamoros)	OmniOn Power (US)	"	"	(498,241)	(100.00%)	"	"	"	297,661	100.00%	"
OmniOn Power (Shanghai)	"	Parent Company	"	(1,403,384)	(83.38%)	"	"	"	661,394	72.23%	"
OmniOn Power (SG)	OmniOn Power (Shanghai)	Ultimately same as the parent company	Purchases	151,760	28.16%	"	"	"	(11,909)	(12.94%)	"
OmniOn Power (DE)	OmniOn Power (US)	"	"	284,584	96.91%	"	"	"	(39,039)	(67.52%)	"
OmniOn Power (SG)	"	"	"	386,952	71.81%	"	"	"	(35,989)	(39.12%)	"
OmniOn Power (US)	OmniOn Power (Matamoros)	"	"	498,241	8.15%	"	"	"	(297,661)	(5.58%)	"
OmniOn Power (China)	OmniOn Power (Shanghai)	"	"	116,615	93.70%	"	"	"	(241,109)	(87.39%)	"
OmniOn Power (US)	"	subsidiary	"	1,403,384	22.97%	"	"	"	(661,394)	(12.39%)	"

Note 1 : The prepayment for purchases was \$177,064 as of September 30, 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:
September 30, 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	1,020,081 (Note 2)	0.89	-	-	335,168	-	Note 4
"	AcBel-BVI	The parent company of AcBel-SGP	917,473 (Note 2)	-	-	-	-	-	"
The Company	API-WUHAN	Subsidiary	393,542 (Note 3)	(Note 3)	-	-	-	-	"
SINO	Compal Information Technology	Other related party	125,803	1.68	-	-	22,049	-	-
OmniOn Power (Shanghai)	OmniOn Power (China)	Ultimately same as the parent company	241,109	0.87	-	-	-	-	Note 4
OmniOn Power (Matamoros)	OmniOn Power (US)	"	297,661	2.33	-	-	-	-	"
OmniOn Power (Shanghai)	"	"	661,394	3.05	-	-	-	-	"
OmniOn Power (China)	"	"	280,155	-	-	-	2,546	-	"
AcLeap Power Inc.	"	Subsidiary	1,278,865	0.70	-	-	-	-	"
OmniOn Power (US)	AcLeap Power	Parent company	1,108,110	0.55	-	-	1,108,110	-	"
OmniOn Power (China)	AcLeap Power	"	469,161	0.51	-	-	225,666	-	"

Note 1 : Information as of October 27, 2025.

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

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

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

ACBEL POLYTECH INC.
Notes to the Financial Statements

Table 6 Business relationships and significant intercompany transactions:
September 30, 2025

Unit: thousand dollars

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Terms	
1	AcBel-PHI	The Company	2	Sales Revenue	1,427,687	The price is marked up based on cost-plus, and the receivables depend on funding demand in credit period.	6.34%
"	"	"	"	Receipts in advance	177,064	"	0.38%
2	API-PRC	The Company	2	Processing Revenue	740,537	The price is based on the need of operating cost, and the receivables depend on funding demand in credit period.	3.29%
"	"	"	"	Accounts Receivable	1,020,081	"	2.16%
3	"	API-WUHAN	3	Sales Revenue	55,448	"	0.25%
"	"	"	"	Accounts Receivable	12,262	"	0.03%
4	API-WUHAN	The Company	2	Processing Revenue	185,501	"	0.82%
"	"	"	"	Other payables	393,542	"	0.83%
5	OmniOn Power (Shanghai)	OmniOn Power (China)	3	Sales Revenue	116,615	OA60	0.52%
"	"	"	"	Accounts Receivable	241,109	"	0.51%
6	"	OmniOn Power (SG)	"	Sales Revenue	151,760	"	0.67%
"	"	"	"	Accounts Receivable	11,909	"	0.03%
7	OmniOn Power (US)	"	"	Sales Revenue	386,952	"	1.72%
"	"	"	"	Accounts Receivable	35,989	"	0.08%
8	OmniOn Power (Matamoros)	OmniOn Power (US)	"	Sales Revenue	498,241	"	2.21%
"	"	"	"	Accounts Receivable	297,661	"	0.63%
9	OmniOn Power (Shanghai)	"	"	Sales Revenue	1,403,384	"	6.22%
"	"	"	"	Accounts Receivable	661,394	"	1.40%
10	OmniOn Power (US)	OmniOn Power (DE)	"	Sales Revenue	284,584	"	1.26%
"	"	"	"	Accounts Receivable	39,039	"	0.08%
11	OmniOn Power (DE)	OmniOn Power (US)	"	Accounts Receivable	140,131	"	0.30%
12	AcLeap Power	"	1	Royalty Revenue	587,867	The receivables depend on funding demand in credit period.	2.61%
"	"	"	"	Accounts Receivable	1,278,865	"	2.71%
13	OmniOn Power (US)	AcLeap Power	2	Service Revenue	392,085	"	1.74%
"	"	"	"	Accounts Receivable	1,108,110	"	2.35%
14	OmniOn Power (China)	"	"	Service Revenue	154,497	"	0.68%
"	"	"	"	Accounts Receivable	469,161	"	0.99%
15	"	OmniOn Power (US)	"	Service Revenue	101,562	"	0.45%
"	"	"	"	Accounts Receivable	280,155	"	0.59%
16	API-PRC	AcBel-BVI	"	Accounts Receivable	917,473	"	1.95%

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:
September 30, 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
				September 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	AcBel-BVI	British Virgin Island	Investment activities	2,694,876 (US\$88,444)	2,694,876 (US\$88,444)	88,444	100%	7,566,343	(102,808)	(102,808)	Subsidiaries (Note 2)
"	AcBel Polytech I.I.	British Virgin Island	Investment activities	363,201 (US\$11,920)	363,201 (US\$11,920)	11,920	100%	1,877,618	11,370	11,370	"
"	AcBel-JAP	Japan	Electronic products marketing and services	2,061 (JPY\$10,000)	2,061 (JPY\$10,000)	1	100%	13,917	382	382	"
"	AcBel-Ireland	Ireland	Provide after-sales service	358 (EUR\$10)	358 (EUR\$10)	10	100%	687	(13)	(13)	"
"	AcTek	Taiwan	Business of solar energy	295,000	295,000	29,500	100%	296,706	1,027	1,027	"
"	AcRay	Taiwan	Business of solar energy	500	500	50	100%	465	1	1	"
"	Star Power	Taiwan	Business of solar energy	274,000	274,000	27,400	16%	280,198	16,571	4,567	An invested company that were evaluated under the equity method
"	Kinpo&Compal Group	Taiwan	Property developo	1,725,000	1,725,000	172,500	30%	1,702,387	(9,998)	(3,000)	"
"	AcTel Power	Taiwan	Business of solar energy	15,000	15,000	1,500	100%	25,851	9,581	9,581	Subsidiaries (Note 2)
"	AcGile	Taiwan	Business of automotive electornics	1,000	100,000	100	100%	1,285	201	201	"
"	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%	211,899	52,075	10,415	An invested company that were evaluated under the equity method
The Company and AcRise	AcLeap	Taiwan	Investment activities	12,751,988	12,751,988	51,515	100%	14,986,764	196,889	66,476	Subsidiaries (Note 2、3、4)
AcBel-BVI	AcBel-SGP	Singapore	Investment activities	2,014,219 (SGP\$85,214)	2,014,219 (SGP\$85,214)	85,214	100%	6,070,208	(113,231)	Recognized by Shareholding Percentage by AcBel-BVI	A grandson company (Note 2)
"	AcBel-USA	U.S.A.	Provide after-sales service	19,805 (US\$650)	19,805 (US\$650)	50	100%	56,808	1,532	"	"
"	AcBel-UK	UK.	Provide after-sales service	-	-	-	100%	744	-	"	"
"	AcBel-PHI	Philippines	Manufacturing and selling of power supplies	208,536 (US\$6,844)	208,536 (US\$6,844)	3,350	100%	639,352	75,698	"	"
"	CSA	Philippines	Investment activities	4,784 (US\$157)	4,784 (US\$157)	8	40%	(3,895)	(3,741)	"	"
"	AcBel-SAMOA	Samoa	Investment activities	609,397 (US\$20,000)	609,397 (US\$20,000)	20,000	100%	1,595,310	(34,548)	"	"
"	Itasca	U.S.A.	Provide market consulting and research and development related power supply	-	12,188 (US\$400)	-	-	-	(87)	"	"
AcBel Polytech I.I.	Power Station	Republic of Mauritius	Investment activities	847,611 (US\$27,818)	847,611 (US\$27,818)	26,627	83%	1,384,769	(4,263)	Recognized by Shareholding Percentage by AcBel Polytech I.I.	"
AcBel-PHI	CK	Philippines	Investment activities	2,986 (US\$98)	2,986 (US\$98)	5	40%	(340,038)	(2,315)	Recognized by Shareholding Percentage by AcBel-PHI	"
CK	CSA	Philippines	Investment activities	6,282 (PHPS12,000)	6,282 (PHPS12,000)	12	60%	(5,842)	(3,741)	Recognized by Shareholding Percentage by CK	"
Power Station	SINO-Vietnam	Vietnam	Manufacturing and selling of computer hardware	30,470 (US\$1,000)	30,470 (US\$1,000)	-	100%	43,662	(11,690)	Recognized by Shareholding Percentage by Power Station	"

ACBEL POLYTECH INC.

Notes to the Financial Statements

Table 7 Information on investees:
September 30, 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
				September 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
AcBel-SGP	AcRise Power	Taiwan	Investment activities	91,188	91,188	9,119	100%	1,608,759	33,653	Recognized by Shareholding Percentage by AcBel-SGP	A grandson company (Note 2)
"	AcAmple Power	Singapore	Investment activities	6,094 (USDS200)	6,094 (USDS200)	200	100%	5,454	(55)	"	"
AcLeap Power	OmniOn Power	U.S.A.	Investment activities	13,376,208 (USD 438,998)	13,376,208 (USD 438,988)	-	100%	7,058,839	423,968	Recognized by Shareholding Percentage by AcLeap Power	A grandson company (Note 2 - 3)
"	OmniOn Power (CH)	Switzerland	Investment activities	762 (USDS25)	762 (USDS25)	25	100%	(388)	(1,893)	"	A grandson company (Note 2)
"	OmniOn Power (Taiwan)	Taiwan	Investment activities	1,000,000	-	100	100%	985	(21)	"	"
OmniOn Power	OmniOn Overseas	U.S.A.	Investment activities	-	-	-	100%	1,168,479	125,060	Recognized by Shareholding Percentage by OmniOn Power	"
"	OmniOn Power (US)	U.S.A.	Product marketing and design services	2,647,739 (USDS86,897)	2,647,739 (USDS86,897)	-	100%	5,872,687	298,022	"	"
OmniOn Overseas	OmniOn Power (DE)	Germany	Product marketing	895 (EURS25)	895 (EURS25)	-	100%	264,952	64,311	Recognized by Shareholding Percentage by OmniOn Overseas	"
"	OmniOn Power (SG)	Singapore	Product marketing	194,345 (SGDS8,222)	194,345 (SGDS8,222)	-	100%	579,282	39,362	"	"
OmniOn Power and OmniOn Overseas	OmniOn Power (MX)	Mexico	Product marketing	8,704 (MXNS\$5,237)	8,704 (MXNS\$5,237)	-	100%	324,228	21,381	Recognized by Shareholding Percentage by OmniOn Power and OmniOn Overseas	"
OmniOn Power (US)	OmniOn Power (Mumbai)	India	Manufacturing activities	137 (INRS400)	137 (INRS400)	-	100%	63,921	3,315	Recognized by Shareholding Percentage by OmniOn Power (US)	"
"	OmniOn Power (India)	India	Marketing and technical services	275 (INRS800)	275 (INRS800)	-	100%	4,347	(356)	"	"
OmniOn Power (MX) and OmniOn Overseas	OmniOn Power (Matamoros)	Mexico	Manufacturing activities	2,240 (MXNS\$1,348)	2,240 (MXNS\$1,348)	-	100%	346,244	54,633	Recognized by Shareholding Percentage by OmniOn Power (MX) and OmniOn Overseas	"
OmniOn Power (CH)	OmniOn Power (EU)	Switzerland	Investment activities	762 (USDS25)	-	25	100%	(413)	1,165	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 to 100%.

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 ownership to 17%.

ACBEL POLYTECH INC.
Notes to the Financial Statements

Table 8 Information on investment in Mainland China:
September 30, 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 September 30, 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 September 30, 2025	Accumulated remittance of earnings as of September 30, 2025	Note
					Outflow	Inflow							
API-PRC	Manufacturing and selling of power supplies	Has been verified: 2,041,481 (USD 67,000)	Indirect investment through AcBel-BVI	1,669,748 (USD 54,800)	-	-	1,669,748 (USD 54,800)	(152,042)	100%	(152,042)	3,298,985	-	Note 6
API-WUHAN	Manufacturing and selling of power supplies	Has been verified: 609,397 (USD 20,000)	Indirect investment through AcBel-BVI	609,397 (USD 20,000)	-	-	609,397 (USD 20,000)	(31,263)	100%	(31,263)	1,588,289	-	-
SINO	Manufacturing and selling of computer hardware	Has been verified: 975,036 (USD 32,000)	Indirect investment through AcBel Polytech I.I.	748,035 (USD 24,550)	-	-	748,035 (USD 24,550)	8,181	83%	6,765	1,078,559	-	-
SINO-Tongliang	Manufacturing and selling of computer hardware	Has been verified: 64,197 (CNY 15,000)	Indirect investment through AcBel Polytech I.I.	-	-	-	-	(4,922)	83%	(4,070)	91,090	-	Note 5
Kanghua-Chongqing	Manufacturing and selling of computer hardware	Has been verified: 64,197 (CNY 15,000)	Indirect investment through AcBel Polytech I.I.	-	-	-	-	(7,581)	83%	(6,269)	(23,361)	-	Note 5
OmniOn Power (Shanghai)	Investment activities	Has been verified: 508,142 (CNY 118,730)	Indirect investment through OmniOn Power.	-	-	-	-	117,101	100%	117,101	1,669,639	-	-
OmniOn Power (China)	Product marketing and design services	Has been verified: 364,456 (CNY 85,157)	Indirect investment through OmniOn Power.	-	-	-	-	(16,928)	100%	(16,928)	240,692	-	-

ACBEL POLYTECH INC.
Notes to the Financial Statements

Table 8 Information on investment in Mainland China:
September 30, 2025

(ii) Limitation on investment in Mainland China:

Unit: thousand dollars

Name	Accumulated Investment in Mainland China as of September 30, 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	3,027,181 (USD 99,350)	4,055,813 (USD 133,109)(Note 3)	Unrestricted (Note 4)
AcLeap Power Inc.	-	1,418,829 (USD 46,565)	5,627,827

Note 1 : The investment gains or losses of the current period were recognized according to the financial statements which have been reviewed and certified, as well as those which were self-compiled unreviewed, by the Company's independent external auditors.

Note 2 : The USD and CNY were translated into New Taiwan Dollars at the exchange rates of 30.46986 and 4.27981, respectively, as of September 30, 2025.

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

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

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

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

(iii) Significant transactions:

1) Outsourced manufacturing fee

For the nine months ended September 30, 2025, the Group provides materials and outsource manufacturing process to API-PRC and API-WUHAN and purchase the finished products from them, with the price, including the processing fee and basing on the demand of operation cost, having been written-off in the financial statements. Moreover, the total amounts of processing fee from API-PRC and API-WUHAN were \$740,537 and \$185,501, respectively, wherein the accounts payable and other receivables arising from the aforesaid transactions were being offset against each other monthly. Furthermore, the accounts payable of API-PRC amounted to \$1,020,081.

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 nine months ended September 30, 2025.