

ARBOR Technology Co., Ltd. and
Subsidiaries
Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024
and Independent Auditors' Report

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ARBOR Technology Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprise

The entities of the Company that are required to be included in the combined financial statements for the year of 2025 (from January 1, 2025 to December 31, 2025) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company Name: ARBOR Technology Co., Ltd.

Chairman: Lee Min

March 31, 2026

Independent Auditors' Report

The Board of Directors and Shareholders
ARBOR Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of ARBOR Technology Co., Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years from January 1 to December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Based on our opinions, the accompanying consolidated financial statements present fairly, in all material respects, the accompanying consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the year ended 2025 is stated as follows:

Valuation of allowance for inventory write-down

The Group is primarily engaged in the research and development, manufacture, and sale of industrial computer-related products. Considering the rapid changes in the technological environment and that market demand and prices are susceptible to fluctuations in the industrial environment, there is a higher risk of inventory write-down or obsolescence. The Group's inventories are measured at the lower of cost and net realizable value. For inventories with an aging period exceeding a certain duration and for inventories individually identified as obsolete, the net realizable value is derived based on historical experience regarding the degree of inventory clearance. Regarding to the accounting policy on inventories that significant accounting estimates and assumptions, please refer to Note 4 and Note5 of consolidated financial statements.

Because the valuation of the net realizable value of the Group's inventories involves subjective judgment and is subject to estimation uncertainties, and considering that the inventory amount has a material impact on the financial statements, the valuation of the allowance for inventory write-down has been identified as a Key audit matters for the current year. We performed the following audit procedures on the above key audit matter:

1. Understood and tested the design and implementation of the assessment procedures and related internal controls for the allowance for inventory write-down and obsolescence losses.
2. Verified the accuracy of the information in the inventory aging reports, including performing sample testing to confirm that inventory movements are categorized into the appropriate aging brackets, and obtaining supporting documentation for management's assessment of obsolete products.
3. Tested the adequacy of basis of estimation of net realizable value of inventory, including testing relevant documents of selling and purchasing prices of products and reassessing to evaluate the reasonableness of the provision for allowance to reduce inventory to market.

Other matter

We have audited the parent company only financial statements of ARBOR Technology Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unqualified opinion, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Accountants

Meng-Chieh Chiu

Jun-yu Wang

Deloitte & Touche, Taiwan

March 31, 2026

ARBOR Technology Co., Ltd.and its Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT \$thousands

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note IV,VI)	\$ 499,914	10	\$ 469,359	10
1110	Current financial assets at fair value through profit or loss (Note IV,VII)	16,714	1	49,048	1
1136	Current financial assets at amortized cost (Note IV,IX,XXXII)	300,990	6	154,289	3
1150	Notes receivable, net (Note IV,X,XXII)	6,809	-	491	-
1170	Accounts receivable, net (Note IV,X,XXII)	595,877	12	684,536	15
1180	Accounts receivable due from related parties, net (Note IV,X,XXII,XXXI)	15,858	-	9,205	-
1210	Other receivables due from related parties (Note IV,XXXI)	29,699	1	85,216	2
130X	Inventories (Note IV,V,XI)	1,936,613	39	1,671,375	37
1470	Other current assets (Note XVII,XXIV)	<u>313,043</u>	<u>6</u>	<u>210,316</u>	<u>5</u>
11XX	Total current assets	<u>3,715,517</u>	<u>75</u>	<u>3,333,835</u>	<u>73</u>
	Non-current assets				
1517	Non-current financial assets at fair value through other comprehensive income (Note IV,VIII)	14,225	-	13,919	-
1600	Property, plant and equipment (Note IV,XIII,XXXI,XXXII)	583,350	12	581,874	13
1755	Right-of-use asset (Note IV,XIV)	41,377	1	26,100	-
1760	Investment property, net (Note IV,XV,XXXII)	71,931	1	72,735	2
1780	Intangible assets (Note IV,V,XVI)	488,931	10	499,025	11
1840	Deferred tax assets (Note IV,XXIV)	26,531	-	25,114	-
1900	Other non-current assets (Note XVII,XXXII)	<u>40,779</u>	<u>1</u>	<u>38,191</u>	<u>1</u>
15XX	Total non-current assets	<u>1,267,124</u>	<u>25</u>	<u>1,256,958</u>	<u>27</u>
1XXX	Total Assets	<u>\$ 4,982,641</u>	<u>100</u>	<u>\$ 4,590,793</u>	<u>100</u>
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note XVIII,XXXII)	\$ 1,339,269	27	\$ 894,852	19
2110	Short-term notes and bills payable (Note XVIII)	-	-	70,000	2
2130	Contract liabilities - current (Note IV,XXII,XXXI)	65,047	1	29,879	1
2150	Notes payable	246	-	1,410	-
2170	Accounts payable	304,379	6	315,885	7
2180	Accounts payable to related parties (Note XXXI)	41,317	1	76,586	2
2200	Other payables (Note XIX)	99,494	2	111,047	2
2220	Other payables to related parties (Note XXXI)	1,198	-	2,320	-
2230	Income tax liabilities for the current period (Note IV,XXIV)	21,055	1	23,348	1
2280	Lease Liabilities-current (Note IV,XIV)	25,462	1	14,620	-
2320	Current portion of long-term borrowings (Note XVIII,XXXII)	65,779	1	46,305	1
2399	Other current liabilities, others	<u>2,185</u>	<u>-</u>	<u>1,321</u>	<u>-</u>
21XX	Total current liabilities	<u>1,965,431</u>	<u>40</u>	<u>1,587,573</u>	<u>35</u>
	Non-current liabilities				
2540	Long-term borrowings (Note XVIII,XXXII)	381,638	8	365,574	8
2570	Deferred tax liabilities (Note IV,XXIV)	1,542	-	2,601	-
2580	Lease Liabilities-Non-current (Note IV,XIV)	16,959	-	12,500	-
2600	Other non-current liabilities (Note IV,XX)	<u>3,818</u>	<u>-</u>	<u>2,725</u>	<u>-</u>
25XX	Total non-current liabilities	<u>403,957</u>	<u>8</u>	<u>383,400</u>	<u>8</u>
2XXX	Total Liabilities	<u>2,369,388</u>	<u>48</u>	<u>1,970,973</u>	<u>43</u>
	Equity attributable to owners of parent				
3110	Ordinary share	<u>959,484</u>	<u>19</u>	<u>956,974</u>	<u>21</u>
3200	Capital surplus	<u>827,872</u>	<u>17</u>	<u>825,344</u>	<u>18</u>
	Retained earnings				
3310	Legal reserve	121,993	3	109,075	2
3320	Special reserve	17,874	-	58,806	1
3350	Unappropriated retained earnings	<u>361,047</u>	<u>7</u>	<u>362,312</u>	<u>8</u>
3300	Total retained earnings	<u>500,914</u>	<u>10</u>	<u>530,193</u>	<u>11</u>
3400	Other equity interest	(<u>29,546</u>)	(<u>1</u>)	(<u>17,874</u>)	<u>-</u>
3500	Treasury shares	(<u>14,134</u>)	<u>-</u>	(<u>14,134</u>)	<u>-</u>
31XX	Total Equity Attributable to Owners of Parent	2,244,590	45	2,280,503	50
36XX	Non-controlling equity	<u>368,663</u>	<u>7</u>	<u>339,317</u>	<u>7</u>
3XXX	Total Equity	<u>2,613,253</u>	<u>52</u>	<u>2,619,820</u>	<u>57</u>
	Total Liabilities and Equity	<u>\$ 4,982,641</u>	<u>100</u>	<u>\$ 4,590,793</u>	<u>100</u>

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

Chairman: Lee, Min

Manager: Lien, Chi-Ruei

Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Co., Ltd. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT \$thousands
(Except for earnings per share in NT \$)

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (NoteIV,XXII,XXXI)	\$ 2,025,562	100	\$ 1,566,604	100
5000	Operating costs (NoteIV,XI,XXIII,XXXI)	(1,216,991)	(60)	(1,071,860)	(68)
5900	Gross profit from operations	808,571	40	494,744	32
	Operating expenses (NoteIV、X、 XXIII,XXXI)				
6100	Selling expenses	(228,817)	(11)	(212,557)	(13)
6200	Administrative expenses	(202,124)	(10)	(90,665)	(6)
6300	Research and development expenses	(274,351)	(14)	(87,298)	(6)
6450	Expected credit (Impairment loss) and reversal of impairment loss (Note IV, X)	(16,657)	(1)	689	-
6000	Total operating expenses	(721,949)	(36)	(389,831)	(25)
6900	Net operating income	86,622	4	104,913	7
	Non-operating income and expenses (NoteXXIII,XXXI)				
7100	Interest revenue	11,245	1	24,377	1
7140	Gain recognized in bargain purchase transaction	-	-	363	-
7190	Other income	6,201	-	18,363	1
7020	Other gains and losses	(2,357)	-	52,306	3
7050	Finance costs	(37,590)	(2)	(18,737)	(1)
7060	Share of profits of associates accounted for using equity method, net	-	-	(3,919)	-
7000	Total non-operating income and expenses	(22,501)	(1)	72,753	4
7900	Net income before tax	\$ 64,121	3	\$ 177,666	11
7950	Income tax expense (NoteIV,XXIV)	(6,095)	-	(25,584)	(2)
8200	Net profit	58,026	3	152,082	9

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Code		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income				
	Item that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (NoteIV, XX)	280	-	565	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note IV, XXI)	(444)	-	1,259	-
8360	Item that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (NoteIV, XXI)	(13,321)	(1)	40,836	3
8300	Other comprehensive income (Net)	(13,485)	(1)	42,660	3
8500	Total comprehensive income for the period	\$ 44,541	2	\$ 194,742	12
	Net income attributable to:				
8610	Owners of the parent	\$ 46,660	2	\$ 128,709	8
8620	Non-controlling interest	11,366	1	23,373	2
8600		\$ 58,026	3	\$ 152,082	10
	Comprehensive income attributable to:				
8710	Owners of the parent	\$ 35,268	2	\$ 170,206	11
8720	Non-controlling interest	9,273	-	24,536	1
8700		\$ 44,541	2	\$ 194,742	12
	Earnings per share (NoteXXV)				
9750	Basic earnings per share	\$ 0.49		\$ 1.36	
9850	Diluted earnings per share	\$ 0.49		\$ 1.35	

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

Chairman: Lee, Min

Manager: Lien, Chi-Ruei

Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Co., Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

		Equity Attributable to Owners of the Parent												Unit: NT \$thousands	
									Other equity interest (NoteIV,XXI)						
		Ordinary share (NOTE XXI)		Capital surplus (NoteIV,XXII)	Retained earnings (Note XXI)				Exchange differences on the translation of foreign financial statements	Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Other equity Total	Treasury shares (Note XXI)	Total	Non- controlling Interest (Note IV,XXI)	Total Equity
C o d e		Shares (thousand shares)	Amount		Legal reserve	Special reserve	Unappropriated retained earnings	Total							
A1	Balance at January 1, 2024	95,439	\$ 954,394	\$ 808,946	\$ 97,476	\$ 55,177	\$ 305,217	\$ 457,870	(\$ 59,246)	\$ 440	(\$ 58,806)	(\$ 23,091)	\$ 2,139,313	\$ 7,645	\$ 2,146,958
	Appropriation and distribution of 2023 earnings														
B1	Legal reserve appropriated	-	-	-	11,599	-	(11,599)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	3,629	(3,629)	-	-	-	-	-	-	-	-
B5	Cash Dividends	-	-	-	-	-	(56,861)	(56,861)	-	-	-	-	(56,861)	-	(56,861)
D1	2024 Net Profit	-	-	-	-	-	128,709	128,709	-	-	-	-	128,709	23,373	152,082
D3	2024 Other comprehensive income	-	-	-	-	-	565	565	39,673	1,259	40,932	-	41,497	1,163	42,660
G1	Exercise of employee share options	258	2,580	2,672	-	-	-	-	-	-	-	8,957	14,209	-	14,209
M5	Acquisition of subsidiary interests	-	-	-	-	-	-	-	-	-	-	-	-	292,315	292,315
M7	Changes in affiliates recognized under Equity	-	-	9,057	-	-	(90)	(90)	-	-	-	-	8,967	14,821	23,788
N1	Share-based payments	-	-	4,669	-	-	-	-	-	-	-	-	4,669	-	4,669
Z1	Balance at December 31, 2024	95,697	956,974	825,344	109,075	58,806	362,312	530,193	(19,573)	1,699	(17,874)	(14,134)	2,280,503	339,317	2,619,820
	Appropriation and distribution of 2024 earnings														
B1	Legal reserve appropriated	-	-	-	12,918	-	(12,918)	-	-	-	-	-	-	-	-
B5	Cash Dividends	-	-	-	-	-	(76,219)	(76,219)	-	-	-	-	(76,219)	-	(76,219)
B17	Reversal of Special reserve	-	-	-	-	(40,932)	40,932	-	-	-	-	-	-	-	-
B5	Cash Dividends by Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,260)	(1,260)
D1	2025 Net Profit	-	-	-	-	-	46,660	46,660	-	-	-	-	46,660	11,366	58,026
D3	2025 Other comprehensive income	-	-	-	-	-	280	280	(11,228)	(444)	(11,672)	-	(11,392)	(2,093)	(13,485)
G1	Exercise of employee share options	251	2,510	2,528	-	-	-	-	-	-	-	-	5,038	-	5,038
M5	Acquisition of subsidiary interests	-	-	-	-	-	-	-	-	-	-	-	-	21,333	21,333
Z1	Balance at December 31, 2025	95,948	\$ 959,484	\$ 827,872	\$ 121,993	\$ 17,874	\$ 361,047	\$ 500,914	(\$ 30,801)	\$ 1,255	(\$ 29,546)	(\$ 14,134)	\$ 2,244,590	\$ 368,663	\$ 2,613,253

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

Chairman: Lee, Min

Manager: Lien, Chi-Ruei

Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT \$thousands

Code		2025	2024
	Cash flows from operating activities		
A10000	Income before income tax	\$ 64,121	\$ 177,666
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	57,236	36,332
A20200	Amortization expense	30,097	3,871
A20300	Expected credit Impairment loss		
	and reversal of impairment loss	16,657	(689)
A20400	Net gain on financial assets or		
	liabilities at fair value through		
	profit or loss	(6,826)	(17,080)
A20900	Finance costs	37,590	18,737
A21200	Interest revenue	(11,245)	(24,377)
A21300	Dividend revenue	(959)	(636)
A21900	Share-based payments	-	4,669
A22300	Share of loss (profit) of associates		
	accounted for using equity		
	method	-	3,919
A22500	(Gain) Loss on disposal of		
	property, plant and equipment	91	(20)
A23100	Losses on disposals of investments	-	22,379
A23500	Other losses	7,003	-
A23700	Inventories loss on market value		
	decline and obsolete and		
	slow-moving inventories	12,423	14,672
A29900	Gain recognized in bargain		
	purchase transaction	-	(363)
A30000	Net changes in operating assets and		
	liabilities		
A31115	Financial assets and liabilities		
	mandatorily at Fair value	109	16,374
A31130	Notes receivable, net	(6,318)	13,020
A31140	Notes receivable-related parties	-	13,427
A31150	Accounts receivable	67,751	64,453
A31160	Accounts receivable-related		
	parties	(6,653)	12,504
A31190	Other receivables-related parties	55,517	64,168
A31200	Inventories	(272,539)	35,762
A31240	Other current assets	(99,604)	100,008
A31990	Other non-current assets	(7,248)	(7,478)
A32125	Contract liabilities	35,168	(178,157)
A32130	Notes payable	(1,164)	1,410
A32150	Accounts payable	(11,941)	(66,006)

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Code		2025	2024
A32160	Accounts payable to related parties	(\$ 35,269)	(\$ 81,191)
A32180	Other payables	(1,122)	(6,263)
A32190	Other payables-related parties	(12,076)	(1,005)
A32230	Other current liabilities	864	(14,504)
A32240	Net defined benefit liability	<u>19</u>	(<u>337</u>)
A33000	Cash inflow (outflow) generated from operations	(88,318)	205,265
A33100	Interest received	12,556	24,742
A33200	Dividends received	959	636
A33300	Interest paid	(37,581)	(19,329)
A33500	Income taxes paid	(<u>15,298</u>)	(<u>38,681</u>)
AAAA	Net cash flows from operating activities	(<u>127,682</u>)	<u>172,633</u>
	Cash flows from (used in) investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	(750)	-
B00040	Acquisition of financial assets at amortized cost	(197,856)	(68,451)
B00050	Disposal financial assets at amortized cost	55,011	252,476
B00100	Acquisition of financial assets at fair value through profit or loss Fair value Financial Assets	(73,266)	(68,606)
B00200	Disposal Fair value Financial Assets	112,317	47,860
B02200	Acquisition of subsidiaries' net cash outflow	-	(168,257)
B02700	Acquisition of property, plant and equipment	(21,694)	(3,522)
B02800	Disposal of property, plant and equipment	793	219
B03700	Increase in refundable deposits	(5,558)	-
B03800	Decrease in refundable deposits	-	16,880
B04500	Acquisition of intangible assets	(13,579)	(1,990)
B05000	Cash inflow generated from the merger	-	2,271
B07100	Increase in prepayments for business facilities	(<u>3,945</u>)	(<u>7,764</u>)
BBBB	Net cash inflow (outflow) from investing activities	(<u>148,527</u>)	<u>1,116</u>
	Cash flows from financing activities		
C00100	Increase (Decrease) in short-term loans	444,417	(220,500)
C00600	Decrease in short-term notes and bills payable	(70,000)	(2,000)
C01600	Increase in Long-term loans	95,000	-
C01700	Repayments of long-term debt	(59,462)	(67,558)

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Code		2025	2024
C03000	Increase in guarantee deposits received	\$ 1,354	\$ 880
C04020	Repayment of lease principal	(29,238)	(18,346)
C04500	Cash dividends paid	(76,219)	(56,861)
C04800	Exercise of employee share options	5,038	14,209
C05800	Dividends paid to non-controlling interests	(1,260)	-
CCCC	Net cash flows (used in) from financing activities	<u>309,630</u>	<u>(350,176)</u>
DDDD	Effect of foreign exchange translations	<u>(2,866)</u>	<u>(4,733)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	30,555	(181,160)
E00100	Cash and cash equivalents at beginning of period	<u>469,359</u>	<u>650,519</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 499,914</u>	<u>\$ 469,359</u>

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

Chairman: Lee, Min

Manager: Lien, Chi-Ruei

Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Co., Ltd. and its Subsidiaries
Notes to Consolidated Financial Statements
2025 and 2024

Unit: NT \$thousands
(Unless Stated Otherwise)

I. Company History

ARBOR Technology Co., Ltd. (hereinafter referred to as “the Company”) was established in September 1993 and went through the reincorporation on January 27, 1995. The Company and its subsidiaries are engaged in the R&D, assembly, combination, processing, manufacturing, and trading of industrial motherboards, computer products, peripheral devices, and electronic parts. The Company's shares were approved for listing on the Main board of Taipei Exchange (TPEX) on May 7, 2013.

The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

II. Approval date and procedures of the consolidated financial statements

The accompanying consolidated financial statements were approved by the Board of Directors on March 31, 2026.

III. Application of new and revised standards and interpretations

- (I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the FSC (the “Financial Supervisory Commission”)

Amendments to IAS 21 "Lack of Compatibility"

The application of the amendments to IAS 21 "Lack of Exchangeability" will not result in a material change to the Consolidated Company's accounting policies.

- (II) The IFRS endorsed by the Financial Supervisory Commission for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	1 January 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	1 January 2026
“Annual Improvement of IFRS Accounting Standards - Volume 11”	1 January 2026
IFRS 17 "Insurance Contracts" (including 2020 and 2021 amendments)	1 January 2023

As of the date of approval and issuance of this Consolidated Financial Statements, the Group assessed that there is no significant effect of the amendments to other standards on the financial position and financial performance.

(III) The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note1)
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027 (NOTE2)
IFRS 19 "Subsidiaries without public accountability: Disclosures" (including 2025 amendments)	1 January 2027
Amendments to IAS 21 "Translation to the Presentation Currency of a Hyperinflationary Economy"	1 January 2027

Note1: Unless otherwise specified, the above New, Amended and Revised Standards and Interpretations shall take effect for the reporting periods of the years commencing after each respective date.

Note 2: The FSC announced on September 25, 2025 that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028, and may also elect to early adopt after the FSC has endorsed IFRS 18.

IFRS18 "Presentation and Disclosure in Financial Statements" and related consequential amendments

IFRS18 will supersede IAS 1 "Presentation of Financial Statements" the main changes comprise:

- The Group shall assess whether it has specific primary business activities of investing in specific types of assets and providing financing to customers, and based thereon, classify the income and expenses Item in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items Item that have at least one similar characteristic. The Group shall disaggregate Item with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Enhancing the disclosure of Management-defined performance measures: When the Group engages in public communication outside of financial statements, as well as

when communicating management's perspective on a certain aspect of the Group's overall financial performance to users of financial statements, it shall disclose relevant information regarding Management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, adjustments to subtotals or totals as specified by IFRSs, and the effects of related adjustment Item on income tax and non-controlling interests.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- When the Group prepares the statement of cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Group have been assessed to have specific primary business activities, it must consider the types of dividend income, interest income, and interest expense presented in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; provided, however, that each of the aforementioned cash flows may only be classified within a single activity in the statement of cash flows.

Except for the above impact, as of the date the accompanying Consolidated Financial Statements were issued, the Group continues in evaluating other impacts of the above amended standards and interpretations on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Group completes its evaluation.

IV. Summary of significant accounting policies

(I) Statement of compliance

The Consolidated Financial Statement was prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The financial instruments of the Consolidated Financial Statement have been prepared under the historical cost basis, except for financial instruments that are measured at fair value.

Fair value measurements are categorized into Levels 1 through Level 3 based on the observability and importance of the relevant input values:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), assets or liabilities.
3. Level 3 inputs are unobservable inputs of assets or liabilities.

(III) Assets and liabilities classification of current and non-current

Current assets include:

1. Assets that are held primarily for trading;
2. Assets expected to be realized within 12 months after the reporting period of the date of balance sheet; and
3. Cash and cash equivalents (except for those who are restricted from being exchanged or used to settle Liabilities for more than 12 months after the date of the Assets Liabilities balance sheet).

Current liabilities include:

1. Liabilities arising mainly from trading activities;
2. Liabilities that are due for settlement within 12 months after the reporting period; and
3. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

All the other liabilities that do not meet the criteria above are classified as noncurrent liabilities.

(IV) Basis of Consolidation

Consolidated financial statements incorporate the financial statements of the Group and entities controlled by the parent company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All transactions, account balances, income and expenses between parent company only have been eliminated upon consolidation. The total profit and loss of the subsidiary is attributed to owners of the parent company and non-controlling interests, even if non-controlling interests become a loss balance as a result.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent company.

See Note XII, Table 5 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main business items).

(V) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred , the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the

acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group has previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in [profit or loss/other comprehensive income]. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required had those interests been directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

(VI) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation, i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and/is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments recognized on identifiable assets and liabilities of acquired foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

(VII) Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

(VIII) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, (including real estate and usage rights assets that meet the definition of investment properties and are under construction.) Investment properties also include land that is currently held without a decision on its future use.

Investment properties held by the entity are initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are depreciated on a straight-line basis.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of assets is included in profit or loss.

(X) Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying

amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(XI) Intangible assets

1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2. Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

- (1) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) The intention to complete the intangible asset and use or sell it;
- (3) The ability to use or sell the intangible asset;
- (4) How the intangible asset will generate probable future economic benefits;
- (5) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- (6) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset firstly meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4. Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(XII) Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

(XIII) Financial instruments

Financial assets and financial liabilities are recognized in Consolidated Balance Sheets when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets at assets and liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or

financial liabilities at fair value through profit or loss, are also included in the amount of financial assets and financial liabilities initially recognised.

1. Financial assets

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

(1) Measurement categories

The types of financial assets held by the Group are financial assets measured at fair value through profit or loss Fair value, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income total Fair value.

A. Financial assets at fair value through profit or loss

The financial assets measured at fair value through profit or loss include financial assets measured at fair value through profit or loss. The financial assets measured at fair value through profit or loss include investments in equity instruments not designated as measured at fair value through other comprehensive income, and investments in debt instruments that do not meet the classification for measurement at amortized cost or measured at fair value through other comprehensive income.

The financial assets measured at fair value through profit or loss are recognized in profit or loss for the dividends, interest income, and gains or losses arising from remeasurement. For the determination of fair value, please refer to Note XXX.

B. Financial assets at amortized cost

Financial assets are classified as measured at amortized cost if both of the following conditions are met:

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and other receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for in the following two cases:

- a. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- b. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Credit-impaired financial assets refer to financial assets for which the issuer or debtor has encountered significant financial difficulties, defaulted, is likely to file for bankruptcy or undergo other financial restructuring, or has caused the active market for the financial assets to disappear due to financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivable. When initially recognizing other financial assets, if there is no significant increase in credit risk since the original recognition, they are measured by recognizing an allowance for expected credit losses (ECLs) over 12 months. However, if there has been a significant increase in credit risk, they are measured by recognizing an allowance for expected credit losses over the remaining lifetime of the asset.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default, without taking into account any collateral held by the Group:

- A. Internal or external information shows that the debtor is unlikely to pay its creditors.
- B. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in its entirety in accordance with other comprehensive income and in accordance with fair value's equity, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

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

The equity instrument issued by the Group is recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancelation of the Group's own equity instruments.

3. Financial Liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

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

(XIV) Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The Group manufactures and sells industrial motherboards, computer products, peripheral devices, electronic parts, and related products. Sales revenue is recognized when control of the products has been transferred to the customer, being when the products are delivered to the customer, and there are unfulfilled performance obligations that could affect the customer's acceptance of the products. Delivery of goods occurs only when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

(XV) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets of assets and recognized as expenses on a straight-line basis over the lease terms.

2. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to

the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(XVI) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Specific borrowings, such as investment revenue, earned by temporary investment before the occurrence of capital expenditures that meet the requirements, are deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XVII) Employee Benefits

1. Short-term Employee Benefits

Liabilities related to short-term employee benefits are measured by the undiscounted amount expected to be paid in exchange for employee services.

2. Retirement Benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income and other equity interest in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in other comprehensive income and will not be reclassified to profit or loss.

The net defined benefit liabilities (assets) are the deficit (remain) in the contribution to the defined benefit retirement plan. The net defined benefit assets may not exceed the present value of refunds of contributions from the plan or reductions in future contributions.

(XVIII) Share-based payments agreement

Employee share options granted to employees and others providing similar services

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date that are reserved for treasury shares transferred to employees is the date on which the board of directors approves.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

(XIX) Income tax

Tax expense is the sum of the current income tax and deferred income tax.

1. Income tax

The Group determines the current income (loss) in accordance with the laws and regulations of each income tax reporting jurisdiction and calculates the payable (recoverable) of income tax.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards or acquisition of machinery and equipment, and tax credits for research development and talent training expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of

the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each assets liabilities date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Previously unrecognized deferred income tax assets are also reviewed at each assets liabilities date and recognized to the extent that it has become probable that future taxable profit will allow the assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which liabilities is settled or assets is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the balance sheet date of assets liabilities. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the assets liabilities, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes

Current and deferred income tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity in which case, the current and deferred income tax are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

V. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and factors that are considered relevant to other. Actual results may differ from these estimates.

When developing significant accounting estimates, management will continuously review the estimates and underlying assumptions.

Estimates and Sources of Assumption Uncertainty

(I) Impairment of Inventory

The net realizable value of inventory is estimated as the selling price in the ordinary course of business, less the estimated costs to complete and sell the inventory. Such estimates are based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly affect these estimates.

(II) Goodwill impairment estimation

When determining whether goodwill is impaired, it is necessary to estimate the value in use of the cash-generating units allocated to goodwill. To calculate the value in use, management should estimate the expected future cash flows generated by the cash-generating unit and determine the appropriate discount rate to be used in calculating the present value. If the actual cash flow is less than expected or if the facts and circumstances change resulting in a downward revision of future cash flows or an upward revision of the discount rate, significant impairment losses may occur.

VI. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 571	\$ 630
Checking accounts and demand deposits	418,288	419,768
Cash equivalents (Investments with original maturities of less than 3 months)		
Time deposits	<u>81,055</u>	<u>48,961</u>
	<u>\$ 499,914</u>	<u>\$ 469,359</u>

VII. Financial assets at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current item:</u>		
Financial assets mandatorily measured at fair value		
Combined financial assets		
— Convertible bonds	\$ 99	\$ -
Non-derivative financial assets		
— Domestic listed and OTC shares	5,799	5,822
— Beneficiary certificate	<u>10,816</u>	<u>43,226</u>
	<u>\$ 16,714</u>	<u>\$ 49,048</u>

VIII. Financial assets at fair value through other comprehensive income

Equity Instruments at FVTOCI

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Non-current</u>		
Domestic unlisted shares	<u>\$ 14,225</u>	<u>\$ 13,919</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

IX. Financial assets at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current items</u>		
Restricted bank deposits	\$ 198,946	\$ 108,980
Time deposits with original maturities of exceeding than 3 months	<u>102,044</u>	<u>45,309</u>
	<u>\$ 300,990</u>	<u>\$ 154,289</u>

For information on the Group's financial assets at amortized cost pledged to others as collateral, please refer to Note XXXII.

X. Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable — from operating</u>		
Measured at amortized cost		
Gross carrying amount	<u>\$ 6,809</u>	<u>\$ 491</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	\$ 626,663	\$ 698,570
Less: Allowance for impairment loss	(<u>30,786</u>)	(<u>14,034</u>)
	<u>\$ 595,877</u>	<u>\$ 684,536</u>
<u>Accounts receivable -related parties (NoteXXXI)</u>		
Measured at amortized cost		
Gross carrying amount	<u>\$ 15,858</u>	<u>\$ 9,205</u>

Accounts receivable

The average credit period of sales of goods was 30~180 days, No interest was charged on accounts receivable. The credit policy adopted by the Group requires that each operating entity within the group conduct management and credit risk analysis on every new customer before establishing payment and delivery terms and conditions. Internal risk management involves assessing the credit quality of clients by considering their financial condition, past experiences, and other factors. The limit for individual risks is established by the board of directors based on internal or external ratings, and the usage of credit limits is monitored regularly. The company continuously monitors credit risk and the credit ratings of counterparties, and diversifies the total transaction amount among different clients with qualified credit ratings. Additionally, it manages credit risk through annual reviews and approvals of counterparty credit limits.

To mitigate credit risk, the management of the company has assigned a dedicated team responsible for the determination of credit limits, credit approvals, and other

monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue accounts receivable. In addition, the Group will review the recoverable amounts of accounts receivable individually as of the balance sheet date to ensure that any uncollectible accounts receivable have been appropriately provided for impairment losses. Accordingly, the management of the Group believes that the Group's credit risk has significantly decreased.

The Group recognizes the allowance for doubtful accounts based on the expected credit loss over the duration of its existence. The expected credit loss over the duration is calculated using a provisioning matrix, which takes into account the customer's past default records, current financial condition, industry economic situation, as well as GDP forecasts and industry outlook. Due to the varying loss patterns of the company's customer base in different regions, the company adopts different provisioning matrices based on regional customer groups and establishes expected credit loss rates considering the overdue days of accounts receivable and the economic conditions of each region.

If there is evidence showing that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, the company will directly write off the relevant accounts receivable; however, it will continue its collection activities, as the amounts recovered from these activities will be recognized in profit or loss.

The following is the notes and accounts receivable (including related parties) aging report:

	December 31, 2025	December 31, 2024
Current	\$ 512,973	\$ 656,504
Overdue		
Within 30 days	31,705	16,608
31-90 days	10,905	9,153
91-180 days	9,011	457
Over 181 days	84,736	25,544
Total	<u>\$ 649,330</u>	<u>\$ 708,266</u>

The above is an aging analysis conducted based on the number of overdue days.

The information regarding the changes in the allowance for doubtful accounts is as follows:

	2025	2024
Opening balance	\$ 14,034	\$ 9,534
Corporate Merger Acquisition	-	9,848
Add: Impairment loss	16,657	-
Less: Reversal of impairment loss	-	(689)
Less: Amounts written off	-	(4,813)
Effect of foreign exchange translations	95	154
Ending balance	<u>\$ 30,786</u>	<u>\$ 14,034</u>

XI. Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 397,770	\$ 337,291
Work-in-process	1,189,522	694,697
Finished goods	273,721	573,758
Merchandise	75,600	65,629
	<u>\$ 1,936,613</u>	<u>\$ 1,671,375</u>

The following is the nature of Cost of goods sold:

	2025	2024
Cost of goods sold	\$ 1,204,568	\$ 1,057,188
Gain (loss) on inventory valuation and Loss from obsolescence	12,423	14,672
	<u>\$ 1,216,991</u>	<u>\$ 1,071,860</u>

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The entities preparing this consolidated financial report are as follows:

Investor	Subsidiary name	Business nature	Proportion of Ownership		Remark
			December 31, 2025	December 31, 2024	
ARBOR Technology Co., Ltd.	Arbor Solution Inc.	Trading of industrial computers and peripherals	100%	100%	-
	Guiding Technology Ltd.	Trading	100%	100%	-
	Allied Info Investments Ltd.	Investing	100%	100%	-
	Excellent Top International Development Ltd.	Investing	100%	100%	-
	Arbor France S.A.S.	Trading of industrial computers and peripherals	100%	100%	-
	Flourish Technology Co., Ltd.	Investing and Trading	100%	100%	-
	Arbor Korea Co., Ltd.	Trading of industrial computers and peripherals	100%	100%	-
	Best Vintage Global LTD.	Investing	100%	100%	-
ARBOR Technology Co., Ltd.	Acloud Intelligence Services Corp. Ltd.	Trading of industrial computers and peripherals	67.08%	67.08%	-
	Anasis Tech Ltd.	Energy Technology Services	68.97%	68.97%	Note 1
	Amobile Intelligent Corp. Limited (AMobile HK)	Investing and Trading	61.77%	61.77%	Note 2、5
	Aegex Mobile Solutions, LLC	Trading of industrial computers and peripherals	60%	-	Note 3
Allied Info Investments Ltd.	Arbor Beijing Technology Co., Ltd.	Trading of industrial computers and peripherals	90.91%	90.91%	-
Excellent Top International Development Ltd.	Arbor Technology (Shenzhen) Co., Ltd.	Manufacture and trading of industrial computers	100%	100%	-

Investor	Subsidiary name	Business nature	Proportion of Ownership		Remark
			December 31,2025	December 31,2024	
Flourish Technology Co., Ltd.	Arbor China Technology Co.,Ltd.	Trading of industrial computers and peripherals	100%	100%	-
Arbor China Technology Co.,Ltd.	Arbor Beijing Technology Co., Ltd.	Trading of industrial computers and peripherals	9.09%	9.09%	-
Best Vintage Global LTD.	Perfect Stream LTD.	Investing	100%	100%	-
Perfect Stream LTD.	Arbor Technology UK LTD.	Trading of industrial computers and peripherals	100%	100%	-
Amobile Intelligent Corp. Limited (AMobile HK)	Amobile (HK) Limited	Communication equipment and peripherals	100%	100%	Note 2 、 4
	AMobile Solutions (Xiamen) Co., Ltd.	Communication equipment and peripherals	100%	100%	Note 2
	AMobile Solutions Corp.	Communication equipment and peripherals	100%	100%	Note 2 、 5
AMobile Solutions Corp.	AMobile Solutions (Shenzhen) Co., Ltd.	Communication equipment and peripherals	100%	100%	Note 2 、 5

Note :

1. ARBOR Technology Co., Ltd. acquired Anasis Tech Ltd. for cash NTD 8,000 thousand on 15 August 2024. 93.02% equity (Note XXVII); on 26 August 2024, a capital increase was carried out by valuing the patented technology, and ARBOR Technology Co., Ltd. did not subscribe according to the shareholding ratio, resulting in the shareholding ratio decreasing from 93.02% to 68.97%(Note XXVIII).
2. ARBOR Technology Co., Ltd. acquired a cash for NTD 207,411 thousand stake of AMobile HK 19.26% on 16 December 2024 (Note XXVII), and together with the previously held shares, cumulatively held 58.57% to gain control; furthermore, ARBOR Technology Co., Ltd. executed the conversion rights of convertible bonds on 31 December 2024, resulting in an increase in shareholding ratio from 58.57% to 61.77%. (Note XXVIII).
3. In March 2025, the Group invested to incorporate Aegex Mobile Solutions LLC., and has hold a 60% equity share of it.
4. In July 2024, the shareholder meeting of Amobile (HK) Limited resolved to dissolve it, and completely liquidated its registration in August, 2025.
5. In December 2025, the Board of Directors of ARBOR Technology Co., Ltd. resolved to acquire the shares it holds AMobile Solutions Corp. from Amobile Intelligent Corp. Limited, and the settlement date will be expected in January 2026.
6. Significant restrictions: As of December 31, 2025, cash and bank deposit of NTD 27,045 thousand was in China and restricted by the local foreign exchange controls. Such foreign exchange controls restrict the export of funds out of China (except by means of normal dividend distribution).

(II) Subsidiaries with non-controlling interests that are material to the Group:

Subsidiary name	Principle place of business	Non-controlling interests Proportion of Ownership	
		December 31,2025	December 31,2024
AMobile HK	Taiwan	38.23%	38.23%

The following summary financial information is prepared based on amounts before intercompany transactions are eliminated:

AMobile HK and its subsidiaries

	December 31,2025	December 31,2024
Current assets	\$ 1,979,407	\$ 1,656,134
Noncurrent assets	494,780	508,445
Current liabilities	(1,317,168)	(1,086,202)
Noncurrent liabilities	(62,384)	(1,919)
Equity	<u>\$ 1,094,635</u>	<u>\$ 1,076,458</u>

Equity attributable to:

Owners of the parent	\$ 756,592	\$ 748,115
Non-controlling interest	<u>338,043</u>	<u>328,343</u>
	<u>\$ 1,094,635</u>	<u>\$ 1,076,458</u>

	2025	2024
Revenue	<u>\$ 949,763</u>	<u>\$ 84,427</u>
Net Income	29,871	57,348
Other comprehensive (loss) income	(11,694)	(931)
Total comprehensive (loss) income	<u>\$ 18,177</u>	<u>\$ 56,417</u>

Net income attributable to:

Owners of the parent	\$ 18,451	\$ 33,586
Non-controlling interest	<u>11,420</u>	<u>23,762</u>
	<u>\$ 29,871</u>	<u>\$ 57,348</u>

Comprehensive income attributable to:

Owners of the parent	\$ 8,477	\$ 31,492
Non-controlling interest	<u>9,700</u>	<u>24,925</u>
	<u>\$ 18,177</u>	<u>\$ 56,417</u>

XIII. Property, plant, and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Other	Total
<u>Cost</u>						
January 1, 2025 Bal.	\$ 397,131	\$ 168,796	\$ 48,838	\$ 31,257	\$ 118,772	\$ 764,794
Additions	-	530	1,577	1,738	17,849	21,694
Disposals	-	-	(1,931)	(2,360)	(40,545)	(44,836)
Reclassifications	-	3,371	1,101	(867)	1,896	5,501
Net exchange differences	-	-	267	266	827	1,360
December 31, 2025 Bal.	<u>\$ 397,131</u>	<u>\$ 172,697</u>	<u>\$ 49,852</u>	<u>\$ 30,034</u>	<u>\$ 98,799</u>	<u>\$ 748,513</u>
<u>Accumulated depreciation</u>						
January 1, 2025 Bal.	\$ -	\$ 44,889	\$ 35,934	\$ 17,927	\$ 84,170	\$ 182,920
Depreciation expense	-	7,130	3,600	3,645	12,777	27,152
Disposals	-	-	(1,900)	(2,292)	(39,760)	(43,952)
Reclassifications	-	-	55	(206)	(1,508)	(1,659)
Net exchange differences	-	-	176	90	436	702
December 31, 2025 Bal.	<u>\$ -</u>	<u>\$ 52,019</u>	<u>\$ 37,865</u>	<u>\$ 19,164</u>	<u>\$ 56,115</u>	<u>\$ 165,163</u>
December 31, 2025 Net	<u>\$ 397,131</u>	<u>\$ 120,678</u>	<u>\$ 11,987</u>	<u>\$ 10,870</u>	<u>\$ 42,684</u>	<u>\$ 583,350</u>

	Land	Buildings	Machinery and equipment	Office equipment	Other	Total
<u>Cost</u>						
January 1, 2024 Bal.	\$ 397,131	\$ 168,110	\$ 39,717	\$ 19,538	\$ 48,138	\$ 672,634
Additions	-	-	849	622	2,051	3,522
Acquired through merger (Note XXVII)	-	-	7,512	6,727	70,564	84,803
Disposals	-	-	(517)	(501)	(4,543)	(5,561)
Reclassifications	-	686	-	4,385	2,317	7,388
Net exchange differences	-	-	1,277	486	245	2,008
December 31, 2024 Bal.	<u>\$ 397,131</u>	<u>\$ 168,796</u>	<u>\$ 48,838</u>	<u>\$ 31,257</u>	<u>\$ 118,772</u>	<u>\$ 764,794</u>
<u>Accumulated depreciation</u>						
January 1, 2024 Bal.	\$ -	\$ 38,080	\$ 28,959	\$ 13,353	\$ 29,489	\$ 109,881
Depreciation expense	-	6,809	2,297	2,131	5,258	16,495
Acquired through merger (Note XXVII)	-	-	4,217	2,452	53,601	60,270
Disposals	-	-	(509)	(474)	(4,379)	(5,362)
Reclassifications	-	-	-	32	(32)	-
Net exchange differences	-	-	970	433	233	1,636
December 31, 2024 Bal.	<u>\$ -</u>	<u>\$ 44,889</u>	<u>\$ 35,934</u>	<u>\$ 17,927</u>	<u>\$ 84,170</u>	<u>\$ 182,920</u>
December 31, 2024 Net	<u>\$ 397,131</u>	<u>\$ 123,907</u>	<u>\$ 12,904</u>	<u>\$ 13,330</u>	<u>\$ 34,602</u>	<u>\$ 581,874</u>

Depreciations on a straight-line basis over the following estimated useful lives:

Buildings	10 to 50 years
Machinery and equipment	5 years
Office equipment	3 to 5 years
Other	2 to 5 years

For information on the property, plant and equipment that were pledged to others as collateral, please refer to Note XXXII.

XIV. Lease Arrangements

(1) Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of Assets		
Building	\$ 35,855	\$ 21,441
Shipping equipment	2,389	3,832
Office equipment	<u>3,133</u>	<u>827</u>
	<u>\$ 41,377</u>	<u>\$ 26,100</u>
	<u>2025</u>	<u>2024</u>
Additions to Assets	<u>\$ 44,581</u>	<u>\$ 9,834</u>
Assets-Depreciation expense		
Building	\$ 25,811	\$ 15,504
Shipping equipment	1,352	1,546
Office equipment	<u>2,117</u>	<u>1,984</u>
	<u>\$ 29,280</u>	<u>\$ 19,034</u>

Except for the above-mentioned acquired through merger, addition and recognition of depreciation expense, the Group's right-of-use assets has not undergone significant subleasing and impairment in 2025 and 2024.

(2) Leases liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount under liabilities		
Current	<u>\$ 25,462</u>	<u>\$ 14,620</u>
Non-current	<u>\$ 16,959</u>	<u>\$ 12,500</u>

Range of discount rate for lease Liabilities was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Building	1.27%~4.75%	1.51%~4.65%
Shipping equipment	2.08%~4.76%	2.05%~4.76%
Office equipment	1.98%	2.05%

(3) Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$ 5,569</u>	<u>\$ 8,149</u>
Expense relating to low value assets leases	<u>\$ 335</u>	<u>\$ 357</u>
Total cash outflow for leases	<u>\$ 36,356</u>	<u>\$ 27,615</u>

XV. Investment properties

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2025 and			
Balance at December 31, 2025	<u>\$ 51,389</u>	<u>\$ 26,517</u>	<u>\$ 77,906</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ -	\$ 5,171	\$ 5,171
Depreciation expense	<u>-</u>	<u>804</u>	<u>804</u>
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 5,975</u>	<u>\$ 5,975</u>
Carrying amount at December 31, 2025	<u>\$ 51,389</u>	<u>\$ 20,542</u>	<u>\$ 71,931</u>
<u>Cost</u>			
Balance at January 1, 2024 and			
Balance at December 31, 2024	<u>\$ 51,389</u>	<u>\$ 26,517</u>	<u>\$ 77,906</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 4,368	\$ 4,368
Depreciation expense	<u>-</u>	<u>803</u>	<u>803</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 5,171</u>	<u>\$ 5,171</u>
Carrying amount at December 31, 2024	<u>\$ 51,389</u>	<u>\$ 21,346</u>	<u>\$ 72,735</u>

Except for the above-mentioned recognition of depreciation expense, the Group's investment properties have not undergone significant addition, disposal and impairment in 2025 and 2024.

Investment properties' depreciations on a straight-line basis over the following estimated useful lives:

Buildings	30 to 43 years
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The fair value of the investment property has not been evaluated by an independent appraiser and is only determined by the management of the Company with reference to the level 2 fair value measurement. The aforementioned fair value was estimated based on the market prices of similar properties in the neighborhood of related properties. The relevant fair values are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value	<u>\$ 108,859</u>	<u>\$ 100,298</u>

For information on the investment properties pledged as collaterals, please refer to Note XXXII.

Total amount of lease payments of operating to be received in the future for investment properties leased under operating leases is as follows:

	December 31, 2025	December 31, 2024
Less than 1 year	\$ 2,182	\$ 2,723
Over 1 year but less than 5 years	179	39
	<u>\$ 2,361</u>	<u>\$ 2,762</u>

XVI. Intangible assets

	Goodwill	Computer software	Patent & Acquired special technology	Franchise	Customer relationship value	Total
<u>Cost</u>						
January 1, 2025 Bal.	\$245,640	\$66,958	\$49,566	\$ 5,328	\$196,525	\$564,017
Additions	-	4,104	28,288	2,520	-	34,912
Disposals	-	(39,579)	(1,143)	-	-	(40,722)
Net exchange differences	(8,067)	23	(194)	114	(6,499)	(29,678)
December 31, 2025 Bal.	<u>\$237,573</u>	<u>\$31,506</u>	<u>\$76,517</u>	<u>\$ 7,962</u>	<u>\$190,026</u>	<u>\$543,584</u>
<u>Accumulated amortization</u>						
January 1, 2025 Bal.	\$ -	\$52,716	\$11,118	\$ 1,158	\$ -	\$64,992
Amortization expense	-	7,105	8,462	2,289	12,241	30,097
Disposals	-	(39,579)	(1,143)	-	-	(40,722)
Net exchange differences	-	19	79	90	98	(14,769)
December 31, 2025 Bal.	<u>\$ -</u>	<u>\$20,261</u>	<u>\$18,516</u>	<u>\$ 3,537</u>	<u>\$12,339</u>	<u>\$54,653</u>
Carrying amount at December 31, 2025	<u>\$237,573</u>	<u>\$11,245</u>	<u>\$58,001</u>	<u>\$ 4,425</u>	<u>\$177,687</u>	<u>\$488,931</u>
	Goodwill	Computer software	Patent & Acquired special technology	Franchise	Customer relationship value	Total
<u>Cost</u>						
January 1, 2024 Bal.	\$ 26,438	\$32,538	\$ 9,762	\$ -	\$ -	\$68,738
Additions	-	1,990	3,000	-	-	4,990
Acquired through merger (Note XXVII)	217,562	32,421	36,804	5,314	196,525	488,626
Net exchange differences	1,640	9	-	14	-	1,663
December 31, 2024 Bal.	<u>\$245,640</u>	<u>\$66,958</u>	<u>\$49,566</u>	<u>\$ 5,328</u>	<u>\$196,525</u>	<u>\$564,017</u>
<u>Accumulated amortization</u>						
January 1, 2024 Bal.	\$ -	\$25,454	\$ 9,762	\$ -	\$ -	\$35,216
Acquired through merger (Note XXVII)	-	23,709	1,152	1,033	-	25,894
Amortization expense	-	3,546	204	121	-	3,871
Net exchange differences	-	7	-	4	-	11
December 31, 2024 Bal.	<u>\$ -</u>	<u>\$52,716</u>	<u>\$11,118</u>	<u>\$ 1,158</u>	<u>\$ -</u>	<u>\$64,992</u>
Carrying amount at December 31, 2024	<u>\$245,640</u>	<u>\$14,242</u>	<u>\$38,448</u>	<u>\$ 4,170</u>	<u>\$196,525</u>	<u>\$499,025</u>

- (I) It was indicated in a valuation report received in the 4th quarter of 2025, that the fair value of the assets and liabilities of Amobile Intelligent Corp. Limited at the date of acquisition was NTD 921,551 thousand. The comparative figures have been restated as if the initial accounting was completed at the acquisition date.

The impact of retrospective adjustments on related items of consolidated balance sheets is set out below:

	Acquisition date (Provisional amounts)	Acquisition date (Fair value)
Cash and cash equivalents	\$ 39,154	\$ 39,154
Financial assets at amortized cost	51,471	51,471
Accounts receivable & Other receivable	468,800	468,800
Inventories	1,182,768	1,182,768
Other current assets	192,501	192,501
Property, plant and equipment	24,533	24,533
Goodwill	353,448	217,562
Other intangible assets	13,149	245,170
Other current assets	12,750	12,750
Short-term borrowings	(469,589)	(469,589)
Financial liabilities at fair value through profit or loss	(10,805)	(10,805)
Accounts payable & Other payable	(712,280)	(712,280)
Liabilities-current	(193,115)	(193,115)
Other current liabilities	(114,911)	(114,911)
Long-term borrowings	(7,522)	(7,522)
Other non-current liabilities	(4,936)	(4,936)
	<u>\$ 825,416</u>	<u>\$ 921,551</u>
Non-controlling interest	<u>\$ 195,553</u>	<u>\$ 291,688</u>

- (II) The determination of the recoverable amount of goodwill is based on its value in use, and the management of the Group assesses its recoverable amount based on the value in use of cash-generating unit operating assets, taking into account their expected useful life as a basis for cash flow assessment. The discount rates used as of 31 December 2025 and 31 December 2024 are 15.20%~15.73% and 15.20%~17.44%, respectively. Other key assumptions include the projected growth rate of operating revenue and profitability. The estimate of operating revenue is based on past experience and takes into account future industry developments and analyzes of expected product growth trends, as well as factors such as anticipated sales conditions and corporate operational strategies and objectives. The management of the Group believes that any reasonable changes to the key assumptions underlying the recoverable amount will not cause its carrying amount to exceed the recoverable amount. The recoverable amount calculated based on the above key assumptions, compared to the carrying values of operating assets and goodwill as of the assessment date, indicates that there is no impairment of goodwill for the years 2025 and 2024.

Amortization expense is on a straight-line basis over the following estimated useful lives:

Computer software	2 to 5 years
Patent & Acquired special technology	2 to 10 years
Franchise	2 to 3 years
Customer relationship value	16 years

XVII. Other assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepayment for purchases	\$ 59,993	\$ 9,053
Overpaid sales tax	177,415	145,433
Prepaid expense	65,594	45,397
Other receivables	3,677	5,245
Other	<u>6,364</u>	<u>5,188</u>
	<u>\$ 313,043</u>	<u>\$ 210,316</u>
<u>Noncurrent</u>		
Refundable deposits (2)	\$ 26,362	\$ 20,804
Prepayment for equipment	10,045	13,260
Other assets	4,372	4,127
Overdue receivables (1)	46,785	39,623
Allowance for impairment loss on overdue receivables (1)	(<u>46,785</u>)	(<u>39,623</u>)
	<u>\$ 40,779</u>	<u>\$ 38,191</u>

- (1) In 2021, the Group sold goods to Jiangsu Tianyu Jiyuan Intelligent Technology Development Co., Ltd. (hereinafter referred to as “Jiangsu Tianyu”), and the outstanding receivables totaled NTD 39,065 thousand. After assessing the possibility of bad debts, the Group has fully recognized impairment losses in 2022. On 25 August 2022, the Group applied to the People’s Court of New North District, Changzhou City, Jiangsu Province for property preservation, requesting that the property of RMB 9,614,562 in the value of Jiangsu Tianyu be seized or frozen in accordance with the law. After the trial of the court, the case may be executed immediately. Jiangsu Tianyu refused to accept the judgment and filed an appeal to the Intermediate People’s Court of Changzhou City, Jiangsu Province on 9 January 2023, and subsequently withdrew the appeal on 1 April 2023. The Group started to transfer the receivables from Jiangsu Tianyu to the overdue amount on 30 September 2023, and discussed with the appointed lawyer for subsequent collection actions. As of 31 December 2025, the court has carried out compulsory enforcement against Jiangsu Tianyu; however, due to the absence of any assets available for execution, this enforcement has been legally concluded. After that, the management of the Group is continuously going to discuss with lawyers about applying to the court to add Jiangsu Tianyu shareholders as defendants or to sue its shareholders.
- (2) For information on the Refundable deposits pledged as collaterals, please refer to Note XXXII.

XVIII. Borrowings

(1) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured loans</u> (Note XXXII)		
Bank loans	\$ 566,955	\$ 314,000
Purchase order financing	92,896	34,950
<u>Non-Secured loans</u>		
Credit loans	500,045	388,738
Purchase order financing	<u>179,373</u>	<u>157,164</u>
	<u>\$ 1,339,269</u>	<u>\$ 894,852</u>

The interest rates for bank loans on 31 December 2025 and 31 December 2024 are respectively 0.50%~3.51% and 1.90%~3.51%.

(2) Short-term notes and bills payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commercial paper payable	<u>\$ -</u>	<u>\$ 70,000</u>

The Short-term notes and bills payable that have not yet matured are as follows:

December 31, 2024

Guaranteeing or accepting institutions	Amount issued	Discount Amount	Book value	Interest rate	Collateral	Collateral Book value
<u>Commercial paper payable</u>						
International Bills Finance Corporation	\$ 40,000	\$ -	\$ 40,000	1.80%	—	\$ -
Mega Bills Finance Co., Ltd.	<u>30,000</u>	<u>-</u>	<u>30,000</u>	1.99%	—	<u>-</u>
	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>			<u>\$ -</u>

(3) Long-term borrowings

Types of borrowings	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank mortgage loan (Note XXXII)	\$ 447,417	2.08%~3.30%	Restricted bank deposits, Land and buildings
Less: Current portion	(<u>65,779</u>)		
	<u>\$ 381,638</u>		
Types of borrowings	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank mortgage loan (Note XXXII)	\$ 411,879	2.08%~2.83%	Restricted bank deposits, Land and buildings
Less: Current portion	(<u>46,305</u>)		
	<u>\$ 365,574</u>		

XIX. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and Bonus payable	\$ 41,524	\$ 42,535
Insurance premium payable	5,808	5,745
Compensation payable to employees and directors	3,181	5,315
Equipment payable	1,564	8,122
Service fees payable	2,838	7,725
Other expenses payable	<u>44,579</u>	<u>41,605</u>
	<u>\$ 99,494</u>	<u>\$ 111,047</u>

XX. Retirement benefit plans

(1) Defined contribution plan

1. Belonging to the Group, Arbor Technology Co., Ltd. and its subsidiaries, which have established in Taiwan, ROC adopted a pension, plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.
2. The retirement benefits for employees of other subsidiaries of the Group is based on a defined contribution retirement benefit plan, calculated at a certain percentage of wages in accordance with local laws.

(2) Defined benefit plan

The defined benefit plan has adopted by the Company in accordance with the Taiwan Labor Standards Law is operated by the government in Taiwan, ROC. Pension benefits are calculated based on the length of service and average monthly salaries of the 6 months before retirement. The Company contributes a certain percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee of the Company. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The company was approved by the New Taipei City Government Labor Bureau on March 14, 2025, and March 25, 2024, to suspend the allocation of pension fund from April 2025 to March 2026 and from April 2024 to March 2025, respectively, because the accumulated pension fund is already sufficient to cover the present value of the total amount of retirement pensions for all employees who currently meet the retirement eligibility requirements under defined benefit plan.

The amount included in the balance sheet in respect of the Group's obligation to its defined benefit plan is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 6,006	\$ 5,865
Fair value of plan assets	(<u>5,111</u>)	(<u>4,709</u>)
Net defined benefit liability (Stated as "other noncurrent liabilities")	<u>\$ 895</u>	<u>\$ 1,156</u>

Movements in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability (asset)</u>
Balance at January 1, 2025	\$ 5,865	(\$ 4,709)	\$ 1,156
Recognized in profit or loss — Interest expense (income)	<u>95</u>	(<u>76</u>)	<u>19</u>
Remeasurements			
Return on plan assets (Excluding amounts included in interest revenue or expense)	-	(326)	(326)
Actuarial (gain) loss			
— Effects of change in financial assumptions	127	-	127
— Experience adjustments	(<u>81</u>)	<u>-</u>	(<u>81</u>)
Recognized in other comprehensive income	<u>46</u>	(<u>326</u>)	(<u>280</u>)
Balance at December 31, 2025	<u>\$ 6,006</u>	(<u>\$ 5,111</u>)	<u>\$ 895</u>
Balance at January 1, 2024	\$ 6,111	(\$ 4,053)	\$ 2,058
Recognized in profit or loss — Interest expense (income)	<u>72</u>	(<u>57</u>)	<u>15</u>
Remeasurements			
Return on plan assets (Excluding amounts included in interest revenue or expense)	-	(304)	(304)
Actuarial (gain) loss			
— Effects of change in financial assumptions	(251)	-	(251)
— Experience adjustments	(<u>10</u>)	<u>-</u>	(<u>10</u>)
Recognized in other comprehensive income	(<u>261</u>)	(<u>304</u>)	(<u>565</u>)
Contributions from the employer	-	(352)	(352)
Benefits paid	(<u>57</u>)	<u>57</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 5,865</u>	(<u>\$ 4,709</u>)	<u>\$ 1,156</u>

Through the defined benefit plans under the Taiwan's Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in

accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.40%	1.65%
Expected rates of salary increase	3.00%	3.00%

If the possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase 0.25%	(\$ <u>127</u>)	(\$ <u>134</u>)
Decrease 0.25%	<u>\$ 130</u>	<u>\$ 138</u>
Expected rates of salary increase		
Increase 0.25%	<u>\$ 128</u>	<u>\$ 136</u>
Decrease 0.25%	(\$ <u>125</u>)	(\$ <u>132</u>)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The average duration of defined benefit obligation	8 years	9 years

XXI. Equity

(1) Share capital

Ordinary shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares authorized (in thousand)	<u>150,000</u>	<u>150,000</u>
Shares authorized	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and fully paid (in thousand)	<u>95,948</u>	<u>95,697</u>
Shares issued	<u>\$ 959,484</u>	<u>\$ 956,974</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The change in the company's share capital is due to the exercise of employees' stock options.

In order to align with the future development and introduce strategic investors, the Company planned a seasoned equity offering through a private placement pursuant to the shareholder resolutions on July 5, 2021. The number of shares shall not exceed 16,000 thousand shares with par value of \$10 per share through the private placement. In 2022 the Company arranged specific places to purchase 16,000 thousand shares at \$18.5 per share in the private placement. The capital increase was amounted to NTD 296,000 thousand. The record date of capital increase was March 11, 2022, and the amendment registration was completed on April 25, 2022. Those common shares issued in the private placement were subject to transfer restriction of counterparty and quantity in accordance with relevant laws. A public offering shall not be conducted until three years after the grant date.

(2) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>May be used to offset a deficit,</u> <u>distributed as cash dividends, or</u> <u>transferred to share capital (1)</u>		
Arising from issuance of share capital	\$ 652,019	\$ 648,387
Arising from conversion of bonds	151,621	151,621
Arising from treasury share transactions	8,331	8,331
The difference between the actual acquisition or disposal price of subsidiary equity and its book value.	12,607	12,607
Expired stock options	1,082	1,082
<u>Don't be used for any purpose</u>		
Employee Stock Options	<u>2,212</u>	<u>3,316</u>
	<u>\$ 827,872</u>	<u>\$ 825,344</u>

1. Such capital reserves may be used to offset losses, and may also be used to distribute cash or to increase share capital when the company has no losses; however, the increase in share capital shall be limited to a certain percentage of the paid-up capital each year.

(3) Retained earnings and dividend policy

When it is determined that the Company has net income for a fiscal year, the earnings shall firstly be appropriated to pay the tax, make up the losses of previous years and then provide 10% of the remaining earnings as the legal reserve, unless such legal reserve has amounted to the paid-in capital, and then set aside or reserve special reserve in accordance with the laws and regulations with accordance to the operational needs or regulations. In case of surplus remained, no less than 10% of the

remained surplus and prior to the accumulated undistributed earnings shall be allocated as the shareholder dividend and bonus. The distribution proposal shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution. Only the situation that the total of the distributable earnings does not reach NT\$2 per share can be exempt from the restriction of percentage in the preceding paragraph.

The dividend policy of the Company adopts a residual dividend approach. The Board of Directors shall propose the distribution proposal which not only considers the factors such as current and future investment circumstances, financing requirements, domestic and overseas competitive situation, budget, and so on but also takes the shareholders' interests, dividend balance, and the long term business plan according to the laws every year and submit it to the shareholders' meeting for resolution. The proportion of distributed cash dividend of each year shall not be less than 10% of the sum of cash and stock dividend of the current year.

The Company may authorize the distributable dividends and bonuses, additional paid-in capital or legal reserve in whole or in part 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 regulation of the preceding paragraph that it shall be resolved by the shareholders' meeting shall not apply, please refer to Note XXIII-(6).

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

In the previous period, the net amount of other accumulated equity reductions and the net increase in the fair value of investment properties should be allocated from the retained earnings of the previous period as a special surplus reserve of the same amount. If there is a shortfall, the amount should then be included in the retained earnings of the current period after tax net profit, along with the after-tax net profit outside of Item.

The appropriations of earnings for 2024 and 2023 were as follows:

	2024	2023
Legal reserve	<u>\$ 12,918</u>	<u>\$ 11,599</u>
Special reserve	<u>(\$ 40,932)</u>	<u>\$ 3,629</u>
Cash dividends	<u>\$ 76,219</u>	<u>\$ 56,861</u>
Cash dividends per share (NT \$)	\$ 0.80	\$ 0.60

The above cash dividends for 2024 and 2023 were distributed by the Board of Directors of Resolution on March 14, 2025 and March 15, 2024, and the remaining earnings were distributed by the annual shareholders' meeting on June 26, 2025. The

earnings distribution for 2023 was made by the shareholders' meeting on June 27, 2024.

The appropriation of earnings for 2025 had been proposed by the Company's Board of Directors on March 31, 2026. The appropriation and dividends per share were as follows:

	2025
Legal reserve	\$ <u>4,694</u>
Special reserve	\$ <u>11,672</u>
Cash dividends	\$ <u>38,152</u>
Cash dividends per share (NT \$)	\$ 0.40

The above-mentioned cash dividends have been distributed by the Board of Directors, and the rest of the earnings distribution Item is yet to be held at the shareholders' meeting, which is expected to be held on June 29, 2026.

(4) Other equity items

1. Exchange differences on translation of foreign financial statements

	2025	2024
Balance at January 1	(\$ 19,573)	(\$ 59,246)
Arised in the year		
Exchange differences on translation of foreign financial statements from foreign operating entities	(11,228)	24,725
Shares of associates accounted for using the equity method	-	8,497
Reclassified adjustment		
Disposal of equity method interests in associated enterprises.	<u>-</u>	<u>6,451</u>
Balance at December 31	(\$ <u>30,801</u>)	(\$ <u>19,573</u>)

2. Unrealized gains (losses) on financial assets at FVTOCI

	2025	2024
Balance at January 1	\$ 1,699	\$ 440
Arised in the year		
Unrealized Gain (Loss)		
Equity instruments	(<u>444</u>)	<u>1,259</u>
Balance at December 31	\$ <u>1,255</u>	\$ <u>1,699</u>

(5) Non- controlling Interest

	2025	2024
Balance at January 1	\$ 339,317	\$ 7,645
Net Profit	11,366	23,373
Other comprehensive income		
Exchange differences on translation of foreign financial statements from foreign operating entities	(2,093)	1,163
Cash Dividends by Subsidiaries	(1,260)	
Non-controlling interests increased by the establishment of subsidiaries	21,333	
Acquisition of additional non-controlling interests in subsidiaries (Note XXVII)	-	292,315
Changes in affiliates recognized under Equity (Note XXVIII)	-	14,821
Balance at December 31	<u>\$ 368,663</u>	<u>\$ 339,317</u>

(6) Treasury stocks

Reasons for repurchase	Transferring to employees (Share in thousand)
Shares at January 1, 2024	928
Decreased in the year - transferring to employees	(360)
Shares at December 31, 2024	<u>568</u>
Shares at January 1, 2025 and December 31, 2025	<u>568</u>

The company resolved on May 14, 2021 by the board of directors to repurchase treasury shares for transfer to the company's employees, with an estimated repurchase of 1,000 thousand shares. As of July 16, 2021, the repurchase period ended, and a total of 928 thousand shares were actually repurchased, amounting to NTD 23,091 thousand. The company also resolved on August 14, 2024 by the Board of Directors to transfer the aforementioned 360 thousand treasury shares to employees at a price of NTD 24.88 per share, with the transfer amount calculated at NTD 8,957 thousand, and to recognize the labor cost at NTD 3,870 thousand.

Based on the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged. Before transfer, the shareholder's rights shall not be enjoyed, either.

XXII. Operating revenue

	<u>2025</u>	<u>2024</u>
<u>Revenue from contracts with customers</u>		
Sales revenue	<u>\$ 2,025,562</u>	<u>\$ 1,566,604</u>

(1) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes Receivable and Accounts Receivable (Note X)	<u>\$ 618,544</u>	<u>\$ 694,232</u>	<u>\$ 592,538</u>
Liabilities—current			
Sale of goods	<u>\$ 65,047</u>	<u>\$ 29,879</u>	<u>\$ 14,259</u>

(2) Classification of revenue from contracts with customers

The revenue detail information, please refer NoteXXXV.

XXIII. Net Profit

(1) Other revenue

	<u>2025</u>	<u>2024</u>
Rent revenue	\$ 2,734	\$ 3,320
Dividends revenue	959	636
Other revenue	<u>2,508</u>	<u>14,407</u>
	<u>\$ 6,201</u>	<u>\$ 18,363</u>

(2) Other gains and losses

	<u>2025</u>	<u>2024</u>
Net gain on financial assets or liabilities at fair value through profit or loss	\$ 6,826	\$ 17,080
Net exchange gain	(60)	56,575
Gain (Loss) on disposal of property, plant, and equipment	(91)	20
Loss on disposal of investment	-	(22,379)
Other	<u>(9,032)</u>	<u>1,010</u>
	<u>(\$ 2,357)</u>	<u>\$ 52,306</u>

(3) Financial costs

	2025	2024
Bank loans	\$ 35,292	\$ 17,204
Lease liabilities	1,240	763
Short-term notes and bills payable	1,046	759
Other	12	11
	<u>\$ 37,590</u>	<u>\$ 18,737</u>

(4) Depreciation and amortization

	2025	2024
Depreciation expenses by function		
Operating costs	\$ 20,750	\$ 20,766
Operating expenses	35,682	15,566
Non-operating expenses	804	-
	<u>\$ 57,236</u>	<u>\$ 36,332</u>
Amortization expenses by function		
Operating costs	\$ 5,207	\$ 1,050
Operating expenses	24,890	2,821
	<u>\$ 30,097</u>	<u>\$ 3,871</u>

(5) Employee benefits expense

	2025	2024
Short-term employee benefits	\$ 491,098	\$ 298,540
Post-employment benefits		
Defined contribution plan	30,898	16,511
Defined benefit plans (Note XX)	19	15
Share-based payment - equity delivery	-	4,669
Other Employee benefits	16,047	11,353
Employee benefits total	<u>\$ 538,062</u>	<u>\$ 331,088</u>
Summary by function		
Operating costs	\$ 70,552	\$ 67,067
Operating expenses	467,510	264,021
	<u>\$ 538,062</u>	<u>\$ 331,088</u>

(6) Employees' compensation and remuneration of directors

The Company follow its Articles of Incorporation that has profit for a fiscal year; the Company shall appropriate 2% to 10% as the remuneration of employees and at most 5% as remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulating that 5% of the amount allocated for employee remuneration in the preceding paragraph shall be designated for non-executive employees. However, if the company still has accumulated losses, an amount sufficient to cover such losses should be reserved in advance. The compensation of employees (including non-executive employees) and the remuneration of directors and supervisors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 31, 2026, and March 14, 2025, respectively, are as follows:

Estimated ratio

	2025	2024
Employees' compensation	4.26%	2.69%
Remuneration of directors	2.13%	0.67%

Amount

	2025	2024
Employees' compensation	\$ 2,000	\$ 4,000
Remuneration of directors	1,000	1,000

If there are changes in the amounts after Consolidated Financial Statement are authorized for issue, the differences are recorded as a change in the accounting estimate.

There were no discrepancies between the actual amounts of employee's compensation and remuneration of directors paid, and the amounts recognized in Consolidated Financial Statement for the years 2024, and the year 2023.

The related information on compensation of employees and remuneration of directors resolved by the board of directors and the shareholders' meeting is at "Market Observation Post System."

XXIV. Income Tax

(1) Income tax recognized in profit or loss

Components of income tax expense (benefit) as follows:

	<u>2025</u>	<u>2024</u>
Current income tax		
In respect of the current year	\$ 11,269	\$ 32,286
Surtax on undistributed retained earnings	5,446	1,724
Adjustments for prior years	(8,168)	(9,281)
	<u>8,547</u>	<u>24,729</u>
	<u>2025</u>	<u>2024</u>
Deferred income tax		
In respect of the current year	(2,452)	855
Tax expense recognized in profit or loss	<u>\$ 6,095</u>	<u>\$ 25,584</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Profit from continuing operations before tax	<u>\$ 64,121</u>	<u>\$ 177,666</u>
Tax expense calculated based on profit before tax and statutory tax rate	\$ 12,824	\$ 35,533
Tax-exempt income	(8,691)	(11,807)
Nondeductible expenses in determining taxable income	127	5,687
Surtax on undistributed retained earnings	5,446	1,724
Influence by entities of the Group that applying different tax rates	4,557	3,728
Adjustment of Current tax expense and Deferred tax expense in the current year	(8,168)	(9,281)
Tax expense recognized in profit or loss	<u>\$ 6,095</u>	<u>\$ 25,584</u>

(2) Income tax liabilities for the current period

	<u>December 31, 2025</u>	<u>Decemeber 31, 2024</u>
Current income tax assets (classified as other current assets)	<u>\$ 4,434</u>	<u>\$ -</u>
Current income taxliabilites		
Due to income tax	<u>\$ 21,055</u>	<u>\$ 23,348</u>

(3) Deferred tax assets and Liabilities

The movements of deferred tax assets and liabilities were as follows:

2025

	Opening balance	Recognized in profit or loss	Net exchange differences	Ending balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for doubtful accounts	\$ 2,723	\$ 753	\$ -	\$ 3,476
Allowance to reduce inventory to market	12,057	(904)	-	11,153
Unrealized exchange losses	689	130	-	819
Intragroup unrealized sales gross profits	3,050	(339)	-	2,711
Unrealized losses	-	1,401	-	1,401
Payment in lieu of untaken annual leave	666	86	-	752
Other	-	160	-	160
	19,185	1,287	-	20,472
Loss carryforwards	5,929	106	24	6,059
	<u>\$ 25,114</u>	<u>\$ 1,393</u>	<u>\$ 24</u>	<u>\$ 26,531</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unrealized exchange gains	(\$ 2,466)	\$ 1,055	\$ -	(\$ 1,411)
Other	(135)	4	-	(131)
	<u>(\$ 2,601)</u>	<u>\$ 1,059</u>	<u>\$ -</u>	<u>(\$ 1,542)</u>

2024

	Opening balance	Recognized in profit or loss	Acquired through merger	Ending balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for doubtful accounts	\$ 1,572	\$ 1,151	\$ -	\$ 2,723
Allowance to reduce inventory to market	11,356	380	321	12,057
Unrealized exchange losses	1,496	(807)	-	689
Intragroup unrealized sales gross profits	3,130	(80)	-	3,050
Payment in lieu of untaken annual leave	611	55	-	666
	18,165	699	321	19,185
Loss carryforwards	5,729	200	-	5,929
	<u>\$ 23,894</u>	<u>\$ 899</u>	<u>\$ 321</u>	<u>\$ 25,114</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unrealized exchange gains	\$ -	(\$ 1,687)	(\$ 779)	(\$ 2,466)
Other	(68)	(67)	-	(135)
	<u>(\$ 68)</u>	<u>(\$ 1,754)</u>	<u>(\$ 779)</u>	<u>(\$ 2,601)</u>

- (4) The balance for unusage losses carryforwards on the deferred tax assets that have not recognized in the Consolidated Balance Sheets.

	<u>December 31, 2025</u>	<u>Decemeber 31, 2024</u>
Losses carryforwards		
FY 2025 due	\$ -	\$ 1,762
FY 2026 due	1,927	1,927
FY 2027 due	8,618	6,206
FY 2028 due	13,355	13,355
FY 2029 due	19,133	-
FY 2030 due	4,902	-
FY 2031 due	1,718	-
FY 2032 due	11,591	-
FY 2033 due	5,437	-
FY 2034 due	<u>1,321</u>	<u>-</u>
	<u>\$ 68,002</u>	<u>\$ 23,250</u>

Note: According to the Enterprise Income Tax Law of the People's Republic of China, the useful life for Losses carryforwards of the subsidiary Arbor China Technology Co., Ltd. and Arbor Technology (Shenzhen)Co., Ltd. is 5 years.

- (5) Approval of income tax

The Company's income tax has declared that the reported cases as of before 2023 have been approved by the tax authorities.

XXV. Earnings per share

	<u>2025</u>	Unit : NT\$ Per share <u>2024</u>
Basic earnings per share	<u>\$ 0.49</u>	<u>\$ 1.36</u>
Diluted earnings per share	<u>\$ 0.49</u>	<u>\$ 1.35</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net income

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders	<u>\$ 46,660</u>	<u>\$ 128,709</u>

<u>Share</u>	Unit: thousand shares	
	2025	2024
Weighted average number of ordinary shares used in the computation of Basic earnings per share	95,324	94,795
Effect of potentially dilutive ordinary shares:		
Employee Stock Options	276	572
Employees' compensation	<u>68</u>	<u>95</u>
Weighted average number of ordinary shares used in the computation of Diluted earnings per share	<u>95,668</u>	<u>95,462</u>

If the Group choose to compensate employees with either cash or shares, when calculating diluted earnings per share, the Group assumed the entire amount of the compensation will be settled in shares. The resulting potential shares were included in the weighted average number of shares outstanding used for the computation of diluted earnings per share, as the effect is dilutive. This dilutive effect of the potential shares is also taken into account when calculating diluted earnings per share before the board of directors resolves the distribution of shares to employees in the following year.

XXVI. Share-based payment agreement

The company's Employee Stock Option Plan

The Company granted employees share options of 360 thousand units, and 1,350 thousand units in August 2024, and November 2021 respectively, with each unit entitling the holder to purchase 1,000 ordinary shares. The recipients include employees of the company who meet specific criteria. The company's share-based compensation agreement is as follows:

<u>Types of arrangements</u>	<u>Grant date</u>	<u>Amount granted</u>	<u>Vesting condition</u>
Employee stock option plan	2021.11.26	675 thousand shares	2-year services
Employee stock option plan	2021.11.26	675 thousand shares	3-year services
Transferring treasury stocks to employees	2024.08.14	360 thousand shares	Vesting immediately

The stocks that were repurchased by the Group and that were then transferred to employees are restricted from transferring within the first year that employees receive the stocks.

The duration of the warrants issued by the Group is five years and they may not be transferred, pledged, gifted to others, or disposed of in any other way, except in the case of inheritance. After the expiration of the duration, any unexercised employee stock options shall be deemed to be waived, and the option holders shall no longer be entitled to assert their rights to exercise the options.

All the share-based payment arrangements above are settled by equity.

The details on the share-based payment arrangements above are as follows:

	2025		2024	
		Weighted average exercise price (NT\$)		Weighted average exercise price (NT\$)
Employee stock option	Unit		Unit	
Outstanding stock options, January 1	754	\$ 20.07	1,350	\$ 21.55
Options granted	-	-	360	24.88
Options invalidated	(20)	19.70	(338)	21.55
Options exercised	(<u>251</u>)	20.07	(<u>618</u>)	22.99
Outstanding stock options, December 31	<u>483</u>	19.70	<u>754</u>	20.07
Exercisable stock options, December 31	<u>483</u>	19.70	<u>754</u>	20.07

For employee stock options exercised in 2025 and 2024, the weighted average share prices on the exercise dates are NT\$47.22 and NT\$22.99, respectively.

The following is the relevant information on outstanding employee stock options:

	December 31, 2025	December 31, 2024
Range of exercise price (NT\$)	\$19.70	\$20.07
The weighted average remaining contractual life (Year)	0.92 years	1.92 years

The Group granted stock options to its employees in August 2024, and November 2021, using binomial tree pricing model and Black-Scholes option pricing model. The input values used in the pricing models are as follows:

	August 2024	November 2021	November 2021
Granted date stock price	NT\$35.34	NT\$21.55	NT\$21.55
Exercise price	NT\$24.88	NT\$21.55	NT\$21.55
Expected Volatility	59.17%	34.70%	35.31%
Duration	0.17 year	4 years	3.5 years
Non Risk Rate	1.2782%	0.4151%	0.4003%

The expenses incurred from share-based payment transactions in 2025 and 2024 were NTD 0 thousand and NTD 4,669 thousand, respectively.

XXVII. Business mergers

(1) Acquisition of subsidiary

	Main operating activities	Acquisition date	Ownership/ Acquisition ratio	Transfer price
			(%)	
Anasis Tech Ltd.	Power System Analysis and Design	August 15, 2024	93.02	<u>\$ 8,000</u>

Amobile HK	Communication equipment and peripherals, investing and trading	December 16, 2024	19.26	<u>\$ 207,411</u>
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The Group acquired Anasis Tech Ltd. (hereinafter referred to as "Anasis Tech") in August 2024 to expand its smart grid-related businesses.

The Group acquired Amobile HK in December 2024 to continue expanding the Group's operating scale and product portfolio.

(2) Transfer price

	<u>Anasis Tech</u>	<u>Amobile HK</u>	<u>Total</u>
Cash	<u>\$ 8,000</u>	<u>\$ 207,411</u>	<u>\$ 215,411</u>

(3) Assets acquired on the date of acquisition and the liabilities assumed

	<u>Anasis Tech</u>	<u>Amobile HK</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 10,271	\$ 39,154	\$ 49,425
Financial assets at amortized cost	-	51,471	51,471
Accounts receivable and other receivables	1,103	468,800	469,903
Inventories	-	1,182,768	1,182,768
Other current assets	34	192,501	192,535
Non-current assets			
Property, plant and equipment	-	24,533	24,533
Intangible assets	-	245,170	245,170
Other non-current assets	360	12,750	13,110
Current liabilities			
Short-term borrowings	-	(469,589)	(469,589)
Financial assets at fair value through profit or loss	-	(10,805)	(10,805)
Accounts payable and other payables	(2,116)	(712,280)	(714,396)
Liabilities-current	(662)	(193,115)	(193,777)
Other current liabilities	-	(114,911)	(114,911)
Non-current liabilities			
Long-term borrowings	-	(7,522)	(7,522)
Other non-current liabilities	-	(4,936)	(4,936)
	<u>\$ 8,990</u>	<u>\$ 703,989</u>	<u>\$ 712,979</u>

(4) Non-controlling interests

The non-controlling interests of Anasis Tech (6.98% ownership interest) and Amobile HK (41.43% ownership interest) are measured based on their proportionate share of the amounts recognised in the acquiree's identifiable net assets at the acquisition date.

(5) Goodwill arising from acquisitions (bargain purchase benefits)

	Anasis Tech	Amobile HK	Total
Transfer price	\$ 8,000	\$ 207,411	\$ 215,411
Add : The fair value of the interests held by the Group on the acquisition date.	-	422,452	422,452
Add : Non-controlling interests	627	291,688	292,315
Subtract : Fair value of identifiable net assets acquired	(<u>8,990</u>)	(<u>703,989</u>)	(<u>712,979</u>)
Goodwill arising from acquisitions (bargain purchase benefits)	(<u>\$ 363</u>)	<u>\$ 217,562</u>	<u>\$ 217,199</u>

The goodwill generated from the acquisition of Amobile HK mainly comes from the control premium. In addition, the consideration paid for the merger includes the expected synergies from the merger, revenue growth, future market development, and the value of Amobile HK's employees. However, such benefits do not meet the recognition criteria for identifiable intangible assets, and therefore are not recognized separately.

(6) Net cash outflow (inflow) from acquisition of subsidiaries

	Anasis Tech	Amobile HK	Total
Transfer price from cash payment	\$ 8,000	\$ 207,411	\$ 215,411
Subtract : Cash and cash equivalents acquired	(<u>10,271</u>)	(<u>39,154</u>)	(<u>49,425</u>)
	(<u>\$ 2,271</u>)	<u>\$ 168,257</u>	<u>\$ 165,986</u>

(7) The impact of business mergers on operating results

Since the acquisition date, the operating results from the acquired company are as follows:

	Anasis Tech	Amobile HK
Operating revenue	<u>\$ 8,034</u>	<u>\$ 84,427</u>
Net profit	<u>\$ 5,222</u>	<u>\$ 57,348</u>

If the acquisition of Anasis Tech in August 2024 and the acquisition of Amobile HK in December 2024 occur on 1 January 2024, the Group's projected operating revenue and net profit for the year 2024 are NTD 2,126,498 thousand and NTD 142,489 thousand, respectively. The amounts cannot reflect the actual revenue and operating results that the Group could generate if the merger or acquisition were completed at the beginning of the fiscal year, nor should they be used to forecast future operating results.

XXVIII. Transaction of Non-controlling Interests

The Group's subsidiary Anasis Tech conducted a technical valuation investment on 26 August 2024. Due to the Group not subscribing according to its shareholding ratio, the shareholding ratio decreased from 93.02% to 68.97%.

The Group executed the conversion of the convertible bonds originally held in subsidiary Amobile HK on 31 December 2024, resulting in an increase in shareholding ratio from 58.57% to 61.77%.

As the aforementioned transactions did not change the Group's control over the subsidiaries, the Group is regarded as handling it as an equity transaction.

	Anasis Tech	Amobile HK
Consideration Received - Patent		
Technology / Convertible Bonds	\$ 3,000	\$ 20,788
The amount of the subsidiary's net assets that should be transferred to non-controlling interests based on the relative change in equity	(<u>3,090</u>)	(<u>11,731</u>)
Equity transaction difference	(<u>\$ 90</u>)	<u>\$ 9,057</u>
<u>Equity transaction difference adjustment</u> <u>account</u>		
Capital surplus	\$ <u>-</u>	<u>\$ 9,057</u>
Unappropriated retained earnings	(<u>\$ 90</u>)	<u>\$ -</u>

XXIX. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and Equity balance. There is no change in the Group's overall strategy.

The capital structure of the Group consists of the Group's net debt (i.e. borrowings less cash and cash equivalents) and equity (i.e. common stock, capital reserves, retained earnings, other equity items and noncontrolling Interests).

The Group's key management reviews the Group's capital structure quarterly, including consideration of the cost and associated risks of each type of capital. The Group will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares and issuing new debt or repaying old debt, based on the recommendations of key management.

XXX. Financial Instruments

(1) Fair value information - financial instruments that are not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values or their fair values cannot be reliably measured.

(2) Fair value information - Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificate	\$ 10,816	\$ -	\$ -	\$ 10,816
Domestic listed and OTC shares	5,799	-	-	5,799
Convertible bonds	99	-	-	99
Total	<u>\$ 16,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,714</u>

Financial assets at FVTOCI

Equity Instruments at FVTOCI

Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,225</u>	<u>\$ 14,225</u>
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December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificate	\$ 43,226	\$ -	\$ -	\$ 43,226
Domestic listed and OTC shares	5,822	-	-	5,822
Total	<u>\$ 49,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,048</u>

Financial assets at FVTOCI

Equity Instruments at FVTOCI

Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,919</u>	<u>\$ 13,919</u>
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There were no transfers between Level 1 and Level 2 fair value measurements for the years 2025 and 2024.

2. Reconciliation of financial instruments in Level 3 of Fair value
2025

Financial assets	Financial assets at FVTOCI Invested in Equity Instruments
Balance at January 1	\$ 13,919
Purchases	750
Recognized in OCI (Unrealized valuation gains and losses of Financial assets at FVTOCI)	(444)
Balance at December 31	<u>\$ 14,225</u>

2024

Financial assets	Financial assets at FVTOCI Invested in Equity Instruments
Balance at January 1	\$ 12,660
Recognized in OCI (Unrealized valuation gains and losses of Financial assets at FVTOCI)	1,259
Balance at December 31	<u>\$ 13,919</u>

3. Valuation techniques and inputs applied for Level 3 fair value

The domestic unlisted (over-the-counter) equity investments adopt a comparable market approach, with significant unobservable input values based on the price-to-book ratio multiplier, the enterprise value to operating profit ratio multiplier, and the illiquidity discount.

(3) Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily measured at fair value through profit or loss	\$ 16,714	\$ 49,048
Financial assets measured at amortized cost (Note1)	1,479,186	1,429,145
Financial assets at FVTOCI	14,225	13,919
<u>Financial Liabilities</u>		
Financial assets measured at amortized cost (Note2)	2,236,243	1,885,548

Note1 : The balances include financial assets measured at amortized cost, comprising cash and cash equivalents, debt instrument investments, notes receivable, accounts receivable (including related parties), other receivables-related parties (including related parties), and refundable deposits, etc.

Note2 : The balances include financial liabilities measured at amortized cost, which consists of short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), current portion of long-term liabilities, long-term borrowings, and deposit a guarantee.

(4) Financial risk management objectives and policies

The Group's major financial instruments include equity and debt instrument investments, accounts receivable, accounts payable, other payable and borrowings, etc. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, Interest rate risk, other price risk), credit risk and liquidity risk.

The Group mitigates risks through derivative financial instruments to reduce the impact of such risks. The use of derivative financial instruments is governed by the policies approved by the Board of Directors of the Group, which are written principles regarding the management of foreign currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquid funds. The internal auditors on a continuous basis reviewed compliance with policies and exposure limits. The company does not engage in trading financial instruments (including derivatives) for speculative purposes.

The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the company must strictly adhere to the relevant financial operating procedures regarding overall financial risk management and the allocation of responsibilities.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency risk (refer to below (1)) and interest rates (refer to below(2)).

There has been no change in the Group's exposure to market risks related to financial instruments and the management and measurement of such exposures.

(1) Foreign currency risk

The Group engages in sales and purchases denominated in foreign currencies, which exposes the consolidated company to foreign currency fluctuations.

The Group's monetary assets and monetary liabilities measured in non-functional currency at the balance sheet date (including non-functional currency monetary Item that have been offset in the consolidated financial statements) and the carrying amount of derivative

instruments with foreign currency risk exposure are detailed in Note XXXIII.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the exchange rates of the US dollar, Euro, RMB, and British pound.

The table below details the sensitivity analysis of the company when the exchange rate of the New Taiwan Dollar (functional currency) increases and decreases against the US Dollar, Euro, RMB, and British Pound 1%. “1%” is the sensitivity ratio used by the company to report exchange rate risks to senior management, and it represents management's assessment of the reasonable range of possible fluctuations in foreign currency exchange rates. Sensitivity analysis only includes foreign currency monetary Item in circulation, and adjusts its year-end conversion based on exchange rate fluctuations 1%. The negative figures in the table indicate the amount by which pre-tax net profit will decrease when the New Taiwan Dollar appreciates relative to each relevant currency 1%; conversely, when the New Taiwan Dollar depreciates against each relevant foreign currency 1%, the impact on pre-tax net profit will be the same amount in positive terms.

	2025	2024
Changes in P&L 1%		
US Dollar	(\$ 4,605)	(\$ 4,212)
Euro	(414)	(481)
British pound	(609)	(519)
	(\$ 5,628)	(\$ 5,212)

The analysis of the changes in the profit and loss statement in the above table primarily stems from the amounts in accounts receivable and accpunts payable denominated in US dollars, Euros, RMB, and British pounds that were still outstanding on the balance sheet date and had not undergone cash flow hedging.

The Group has not experienced any significant changes in exchange rate sensitivity during this year.

(2) Interest rate risk

The Group borrows funds at both fixed and floating rates, which exposed in interest rate risk. The Group manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the date of balance sheet were as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
— Finance assets	\$ 382,045	\$ 203,250
— Finance liabilities	175,351	162,694

Cash flow interest rate risk

— Finance assets	417,676	419,056
— Finance liabilities	1,653,756	1,214,037

The Group is exposed to fair value risk due to interest rate fluctuations related to fixed-rate bank time deposits, bank borrowings, and short-term notes payable; however, the expected fair value changes arising from interest rates on bank time deposits, bank borrowings, and short-term notes payable do not have a significant impact on the Group.

Sensitivity Analysis

The following sensitivity analysis is determined by the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding on the balance sheet date remains outstanding throughout the reporting period. The variable rate used by the company to report interest rates to senior management is an increase or decrease of 1%, which also represents the management's assessment of the reasonable possible range of interest rate fluctuations.

If the market interest rate rises by 1%, while all other variables remain unchanged, the Group's floating rate financial assets for the years 2025 and 2024 will have cash outflows of NTD 12,361 thousand and NTD 7,950 thousand, respectively. When the market interest rate decreases 1%, its effect will be a negative of the same amount.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate debt instruments.

(3) Other price risk

The Group incurs equity price risk due to its investment in equity securities.

Sensitivity Analysis

The following sensitivity analysis is conducted based on the equity price risk as of the balance sheet date. If the domestic equity investment position price declines by 1%, the profit and loss for the years 2025 and 2024 will decrease by NTD 167 thousand and NTD 490 thousand, respectively, due to the decline in the fair value of financial assets measured at fair value through profit or loss. If the domestic equity investment position price declines 1%, the other total gains and losses for the years 2025 and 2024 will decrease by NTD 142 thousand and NTD 139 thousand respectively due to the decline in the fair value of financial assets recognized through other total gains and losses.

The Group has not experienced any significant changes in its sensitivity to equity securities investments.

2. Credit risk

Credit risk refers to the risk that the Group will incur a financial loss due to default on contractual obligations by the counterparties. As of the date of balance sheet, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to default on contractual obligations by the counterparties could arise from (The maximum amount of exposure that cannot be reversed without taking into account collateral or other credit enhancement instruments):

- (1) The carrying amount of the respective recognized financial assets as stated in the balance assets.
- (2) The amount of contingent liabilities arising from financial guarantees provided by the Group.

The Group's policy is to enter into transactions only with creditworthy counter-parties and to obtain adequate guarantees, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only conducts transactions with enterprises rated at investment grade or above. The information is provided by an independent rating agency; if such information cannot be obtained, the Group will use other publicly available financial information and transaction records with major clients for evaluation. The company continuously monitors credit risks and the credit ratings of counterparties, diversifying the total transaction amount among customers with qualified credit ratings, and controlling credit risks through counterparty credit limit ceilings reviewed and approved annually by the Risk Management Committee.

To mitigate credit risk, the management of the Group has assigned a dedicated team responsible for determining credit limits, approving credit, and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the Company will individually review the recoverable amounts of receivables as of the balance sheet date to ensure that appropriate impairment losses have been recognized for receivables that are not recoverable. Accordingly, the management of the company believes that the Group's credit risk has significantly decreased.

Additionally, because the counterparties for the transactions involving working capital and derivative financial instruments are banks that have been given high credit ratings by international credit rating agencies, the credit risk is therefore low.

The Group continuously evaluates the financial status of its accounts receivable customers. The company's customer base is large and unrelated, thus the concentration of credit risk is not high.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with borrowings covenants.

Bank borrowings are an important source of liquidity for the company. The financing limit not utilized by the company is detailed in the following (2) explanation of the financing limits.

(1) Liquidity and Interest Rate Risk Tables for Non-Derivative Financial Instruments of Liabilities

The table below shows the contract maturity dates of financial liabilities, including estimated interest, excluding the carrying amounts approaching the contractual cash flows of financial liabilities:

	Within 1 Year	1-5 Years	Over 5 Years	Total
<u>Dec 31, 2025</u>				
Non-interest bearing	\$ 446,634	\$ -	\$ -	\$ 446,634
Lease liabilities	28,523	17,356	-	45,879
Fixed interest rate instrument	133,566	-	-	133,566
Variable interest rate instrument	<u>1,288,551</u>	<u>189,211</u>	<u>238,592</u>	<u>1,716,354</u>
	<u>\$ 1,897,274</u>	<u>\$ 206,567</u>	<u>\$ 238,592</u>	<u>\$ 2,342,433</u>
<u>Dec 31, 2024</u>				
Non-interest bearing	\$ 507,248	\$ -	\$ -	\$ 507,248
Lease liabilities	15,129	13,657	-	28,786
Fixed interest rate instrument	163,097	-	-	163,097
Variable interest rate instrument	<u>862,902</u>	<u>143,559</u>	<u>264,657</u>	<u>1,271,118</u>
	<u>\$ 1,548,376</u>	<u>\$ 157,216</u>	<u>\$ 264,657</u>	<u>\$ 1,970,249</u>

(2) Financing limit

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank overdraft limit		
— Amount used	\$ 1,786,686	\$ 1,376,731
— Unused amount	<u>2,046,327</u>	<u>1,204,149</u>
	<u>\$ 3,833,013</u>	<u>\$ 2,580,880</u>

XXXI. Related party transactions

Transactions, account balances, income, and expenses between the Company and its subsidiaries (which are related parties of the Company) are fully eliminated upon consolidation; therefore, they are not disclosed in this note. Except for those disclosed in other notes, the transactions between the Group and related parties are as follows.

(1) Names and relationship with related parties

Name of related parties	Relationship with the Group
Amobile Intelligent Corp. Limited (Amobile HK)	Subsidiary (Transfer of an associate to a subsidiary in Dec 2024)
AMobile Solutions Corp. (AMobile Taiwan)	Subsidiary (Transfer of an associate to a subsidiary in Dec 2024)
AMobile Solutions (Xiamen) CO., Ltd. (AMobile Xiamen)	Subsidiary (Transfer of an associate to a subsidiary in Dec 2024)
AMobile Solutions (Shenzhen) Co., Ltd.	Subsidiary (Transfer of an associate to a subsidiary in Dec 2024)
Ennoconn Technology Co., Ltd. (Ennoconn)	Other related party
AMERICAN INDUSTRIAL SYSTEMS INC. (AIS INC)	Other related party
Ennoconn (Suzhou) Technology Co., Ltd (Ennoconn Suzhou)	Other related party
Victor Plus Holdings Ltd. (Victor Plus)	Other related party
HighAim Technology Inc.	Other related party
Vecow Co., Ltd. (Vecow)	Other related party
GOLDTek Technology (Shenzhen) Co., Ltd. (GOLDTek Shenzhen)	Other related party
GOLDTek Technology Co., Ltd. (GOLDTek)	Other related party
Caswell, Inc.	Other related party

MEDIATEK INC. (MEDIATEK)	Other related party
Satem Technology Co., Ltd. (Satem)	Other related party
AI-Agrifish Technology Corp.	Other related party

(2) Operating revenue

Account item	Relationship/Name	2025	2024
Sales revenue	Associates		
	AMobile Taiwan	\$ -	\$ 111,984
	Others	-	55,880
	Other related parties	<u>18,692</u>	<u>17,979</u>
		<u>\$ 18,692</u>	<u>\$ 185,843</u>

Prices of goods sold to the aforementioned related parties were determined based on the economic environment and market competition of each sales territory, respectively. The payment terms of related parties are slightly longer than those of normal customers, with an average of 2 to 4 months.

(3) Purchases

Relationship/Name	2025	2024
Associate		
AMobile Taiwan	\$ -	\$ 241,102
AMobile Xiamen	-	112,334
Others	-	131
Other related party		
Victor Plus	160,094	147,372
Others	<u>38,341</u>	<u>23,813</u>
	<u>\$ 198,435</u>	<u>\$ 524,752</u>

In addition to purchases of goods and materials, the Group also purchased molds, shipping service, repair service, and processing service from the aforementioned related parties. For the years 2025 and 2024, the purchase expenses were NTD 25,139 thousand and NTD 12,923 thousand, respectively.

The purchasing prices from the related parties were determined after referring to the actual price. The payment terms are the same as those of normal suppliers, which are both net 30 days.

(4) Accounts receivable due from related parties

Account item	Relationship/Name	December 31, 2025	December 31, 2024
Accounts receivable	Other related parties	<u>\$ 15,858</u>	<u>\$ 9,205</u>
Other receivables	Other related parties		
	GOLDTek Shenzhen	\$ 19,500	\$ 68,826
	Ennoconn Suzhou	<u>10,199</u>	<u>16,390</u>
		<u>\$ 29,699</u>	<u>\$ 85,216</u>

The outstanding accounts receivable from related parties are not guaranteed. The accounts receivable from related parties for the years 2025 and 2024 have not been provisioned for impairment losses.

(5) Accounts payable due to related parties

Account item	Relationship/Name	December 31, 2025	December 31, 2024
Accounts payable	Other related parties		
	Victor Plus	\$ 24,367	\$ 41,793
	Others	<u>16,950</u>	<u>34,793</u>
		<u>\$ 41,317</u>	<u>\$ 76,586</u>
Other payable	Other related parties	<u>\$ 1,198</u>	<u>\$ 2,320</u>

The outstanding accounts payable from related parties are not guaranteed.

(6) Contract liabilities

Account item	Relationship/Name	December 31, 2025	December 31, 2024
Liabilities-current	Other related parties	<u>\$ -</u>	<u>\$ 48</u>

(7) Acquisition of property, plant and equipment

Relationship/Name	Acquired price	
	2025	2024
Other related parties	<u>\$ -</u>	<u>\$ 267</u>

(8) Lease agreement

The Group leases property, plant and equipment. The lease contract period is from January 1, 2024 and does not end until both parties agree to terminate. Lease contracts were individually negotiated and consisted of various terms and conditions. Leased assets cannot be pledged as collaterals; in addition, the rights of leased assets cannot be transferred to others in the form of neither business transfer nor business combination.

Summary of Rent income as follow:

<u>Relationship/Name</u>	<u>2025</u>	<u>2024</u>
Associates		
AMobile Taiwan	<u>\$ -</u>	<u>\$ 626</u>

The Group's lease agreements with related parties are based on market conditions to determine the rent, and payments are made according to general terms.

(9) Acquisition of other assets

<u>Account item</u>	<u>Relationship/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Intangible assets	Other related parties		
	MEDIATEK	<u>\$ 1,638</u>	<u>\$ -</u>

(10) Other transactions from related parties

<u>Account item</u>	<u>Relationship/Name</u>	<u>2025</u>	<u>2024</u>
Other expense	Other related parties	<u>\$ 287</u>	<u>\$ -</u>
Other income	Associates	\$ -	\$ 2
	Other related parties	<u>454</u>	<u>-</u>
		<u>\$ 454</u>	<u>\$ 2</u>

(11) Information on key management personnel compensation

	<u>2025</u>	<u>2024</u>
Salaries and other short-term		
employee benefits	\$ 31,916	\$ 25,273
Post-retirement benefits	<u>178</u>	<u>178</u>
	<u>\$ 32,094</u>	<u>\$ 25,451</u>

XXXII. Pledged assets

The Group provides the following assets as collateral for long-term and short-term bank borrowings, payable short-term notes, as well as lease and project deposits:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted bank deposits (Classified as “financial assets at amortized cost”)	\$ 198,946	\$ 108,980
Refundable deposit (Classified as “other noncurrent assets cost”)	26,362	20,804
Property, plant, and equipment	487,753	491,324
Investment properties	<u>71,931</u>	<u>72,735</u>
	<u>\$ 784,992</u>	<u>\$ 693,843</u>

XXXIII. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of each entity of the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 25,766	31.43 (USD to NTD)	\$ 809,825
USD	3,307	6.9907 (USD to RMB)	103,939
USD	1,614	0.7425 (USD to GBP)	50,728
USD	437	0.8518 (USD to EUR)	13,735
EUR	1,121	36.90 (EUR to NTD)	41,365
GBP	1,439	42.33 (GBP to NTD)	<u>60,913</u>
			<u>\$ 1,080,505</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	9,111	31.43 (USD to NTD)	\$ 286,359
USD	6,449	6.9907 (USD to RMB)	202,692
USD	913	1,571.50 (USD to KRW)	<u>28,696</u>
			<u>\$ 517,747</u>

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 24,043	32.79 (USD to NTD)	\$ 788,370
USD	5,790	7.3225 (USD to RMB)	189,854
USD	696	0.7962 (USD to GBP)	22,822
EUR	1,409	34.14 (EUR to NTD)	48,103
GBP	1,261	41.19 (GBP to NTD)	<u>51,941</u>
			<u>\$ 1,101,090</u>

	Foreign Currencies	Exchange Rate	Carrying amount
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	9,703	32.79 (USD to NTD)	\$ 318,161
USD	6,542	7.3225 (USD to RMB)	214,512
USD	1,441	1,639.50 (USD to KRW)	<u>47,250</u>
			<u>\$ 579,923</u>

The foreign exchange gains (including realized and unrealized) of the Group for the years 2025 and 2024 were NTD (60) thousand and NTD 56,575 thousand, respectively. Due to the variety of foreign currency transactions and the functional currencies of each entity in the Group, it is not possible to disclose the exchange gains and losses by each significant foreign currency.

XXXIV. Supplementary disclosures

(1) Significant transactions information:

1. Lending funds to others: See Table 1 attached.
2. Endorsements/Guarantees for Others: See Table 2 attached.
3. Marketable Securities Held (Excluding Subsidiaries, associates and Joint venture): None.
4. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: See Table 3 attached.
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached.
6. Other: Business relationships and significant inter-company transactions: None.

(2) Information on investees: See Table 5 attached.

(3) Information on investees in Mainland China

1. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits (losses) of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 6 attached.
2. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information, which is

helpful to understand the impact of investment in mainland China on financial reports:

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: See Table 4 attached.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: See Table 4 attached.
- (3) The amount of property transactions and the amount of the resultant gains or losses: Be eliminated in the consolidated financial statements.
- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
- (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: See Table 1 attached.
- (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

XXXV. Segment Information

(1) Operations Segment Information

The operational decision-makers of the Group focus on resource allocation and segment performance evaluation from a regional perspective; regionally, the Group is currently focusing on the business operation in Taiwan, Mainland China, South Korea, Americas, and Europe. The reportable segments provided to the main operational decision makers are as follows:

Fiscal Year 2025

	ARBOR					Amobile		Adjustments and eliminations Total	
	Asia					Asia			
	Mainland					Mainland			
	Taiwan	China	South Korea	Americas	Europe	Taiwan	China		
Revenue from external clients	\$ 567,068	\$ 202,754	\$ 64,663	\$ 271,167	\$ 268,911	\$ 472,610	\$ 178,389	\$ -	\$ 2,025,562
Internal segment revenue	422,235	269,584	298	1,119	7,792	333,496	537,412	(1,571,936)	-
Segment Revenue	<u>\$ 989,303</u>	<u>\$ 472,338</u>	<u>\$ 64,961</u>	<u>\$ 272,286</u>	<u>\$ 276,703</u>	<u>\$ 806,106</u>	<u>\$ 715,801</u>	<u>(\$ 1,571,936)</u>	<u>\$ 2,025,562</u>
Interest income	<u>\$ 7,767</u>	<u>\$ 755</u>	<u>\$ 187</u>	<u>\$ 1,371</u>	<u>\$ 1,630</u>	<u>\$ 681</u>	<u>\$ 10</u>	<u>(\$ 1,156)</u>	<u>\$ 11,245</u>
Depreciation, depletion, and amortization	<u>\$ 21,397</u>	<u>\$ 10,830</u>	<u>\$ 536</u>	<u>\$ 8,248</u>	<u>\$ 1,372</u>	<u>\$ 15,109</u>	<u>\$ 14,053</u>	<u>\$ 15,788</u>	<u>\$ 87,333</u>
Income tax expense	<u>\$ 3,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1,738)</u>	<u>(\$ 7,270)</u>	<u>(\$ 89)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 6,095)</u>
Segment pre-tax net profit (loss)	<u>\$ 41,096</u>	<u>\$ 7,868</u>	<u>(\$ 2,674)</u>	<u>(\$ 14,994)</u>	<u>\$ 37,922</u>	<u>\$ 23,832</u>	<u>\$ 21,916</u>	<u>(\$ 50,845)</u>	<u>\$ 64,121</u>

Fiscal Year 2024

	ARBOR					Amobile		Adjustments and eliminations Total	
	Asia					Asia			
	Mainland					Mainland			
	Taiwan	China	South Korea	Americas	Europe	Taiwan	China		
Revenue from external clients	\$ 572,837	\$ 322,686	\$ 69,063	\$ 307,759	\$ 209,832	\$ 76,797	\$ 7,630	\$ -	\$ 1,566,604
Internal segment revenue	463,845	94,871	-	2,808	3,224	36,630	56,737	(658,115)	-
Segment Revenue	<u>\$ 1,036,682</u>	<u>\$ 417,557</u>	<u>\$ 69,063</u>	<u>\$ 310,567</u>	<u>\$ 213,056</u>	<u>\$ 113,427</u>	<u>\$ 64,367</u>	<u>(\$ 658,115)</u>	<u>\$ 1,566,604</u>
Interest income	<u>\$ 22,113</u>	<u>\$ 997</u>	<u>\$ 339</u>	<u>\$ 1,028</u>	<u>\$ 2,242</u>	<u>\$ 385</u>	<u>\$ 129</u>	<u>(\$ 2,856)</u>	<u>\$ 24,377</u>
Depreciation, depletion, and amortization	<u>\$ 21,010</u>	<u>\$ 11,298</u>	<u>\$ 572</u>	<u>\$ 4,610</u>	<u>\$ 1,919</u>	<u>\$ 744</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 40,203</u>
Income tax expense	<u>(\$ 16,529)</u>	<u>\$ 67</u>	<u>(\$ 54)</u>	<u>(\$ 4,844)</u>	<u>(\$ 6,674)</u>	<u>\$ 2,655</u>	<u>(\$ 205)</u>	<u>\$ -</u>	<u>(\$ 25,584)</u>
Segment pre-tax net profit (loss)	<u>\$ 144,035</u>	<u>(\$ 6,048)</u>	<u>(\$ 599)</u>	<u>\$ 20,029</u>	<u>\$ 26,990</u>	<u>\$ 25,517</u>	<u>\$ 30,104</u>	<u>(\$ 62,362)</u>	<u>\$ 177,666</u>

(2) Main product revenue

The analysis of the main product revenue of the Group is as follows:

	2025	2024
System and peripherals	\$ 1,367,067	\$ 777,610
PCBs	398,280	553,879
Other	260,215	235,115
	<u>\$ 2,025,562</u>	<u>\$ 1,566,604</u>

(3) Regional Information

The revenue of the Group from external clients is classified according to the geographical region of the clients and the non-current assets are presented according to the location of the assets as follows:

	Revenue from external clients		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
Taiwan	\$ 78,763	\$ 67,868	\$ 1,075,041	\$ 1,106,458
China	385,594	333,993	73,997	49,347
South Korea	79,457	76,868	1,254	1,935
America	403,296	386,480	24,371	12,239
Europe	816,851	483,792	25,343	27,142
Other regions	261,601	217,603	-	-
	<u>\$ 2,025,562</u>	<u>\$ 1,566,604</u>	<u>\$ 1,200,006</u>	<u>\$ 1,197,121</u>

Non-current assets do not include financial instruments, deferred tax assets, and deposits.

(4) Information on major customers

The Group did not have any from a single customer that exceeded 10% of the total revenue for the fiscal years 2025 and 2024.

ARBOR Technology Co., Ltd. and Subsidiaries

Lending funds to others

January 1, 2025 to December 31, 2025

Table1

Unit: NT \$thousands

NO.	Creditor	Borrower	Account item	Related Party (Y/N)	Maximum outstanding balance for period	Ending Balance	Actual amount used	Interest rate	Nature of financing (Note1)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Entity (Note 2)	Total Loan Limit (Note 2)
													Name	Value		
1	Guiding Technology Ltd.	Arbor China Technology Co., Ltd.	Other receivables - related parties	Y	\$ 21,178	\$ 20,043	\$ 20,043	2.3%	2	\$ -	Working capital	\$ -	None	\$ -	\$ 224,459	\$ 897,836
2	Arbor Technology (Shenzhen)co., Ltd.	Arbor China Technology Co., Ltd.	Other receivables - related parties	Y	32,011	31,472	31,472	2.3%	1	35,999	None	-	None	-	83,620	83,620

Note1: The nature of the loans are as follows:

1. Fill in 1 for business transactions.
2. Fill in 2 for short-term financing.

Note2: (1) Inter-company loans of funds between overseas companies in which Arbor holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to Arbor by any overseas company in which Arbor holds, directly or indirectly, 100% of the voting shares. Arbor prescribed the single entity and totals' limits on loans of funds must less than or equal to 40% of Creditor's net value in the lastest audited or reviewed financial statements. (2) Each entity does business transactions with Arbor, its individual limits on loans of funds is less than or equal to both business transaction amounts. The business transaction is maxium amounts between purchasing or sales under 12 months in recent year or incoming year. (3) If each entity has short-term financing needs, the single limits on loan is less than or equal to 10% of Arbor's net value in the lastest audited or reviewed financial statements.

ARBOR Technology Co., Ltd. and Subsidiaries
Endorsements/Guarantees for Others
January 1, 2025 to December 31, 2025

Table 2

Unit: NT \$thousands

NO.	Endorser/ Guarantor	Endorsee/Guarantee		Endorsement limit for a single enterprise (Note 2)	Maximum endorsement balance for period	Ending balance of endorsement	Actual amount used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement (Note 2)	Endorsement/ guarantee of parent company to subsidiary	Endorsement/ guarantee of a subsidiary to the parent company	Endorsement/ guarantee for mainland China
		Company Name	Relationship (Note 1)										
0	ARBOR Technology Co., Ltd.	Guiding Technology Ltd.	2	\$ 673,377	\$ 75,387	\$ 71,278	\$ 709	\$ -	3.18%	\$ 1,122,295	Y	N	N
		AMobile Intelligent Corp. Ltd. (abbr. AMobile HK) and its subsidiary AMobile Solutions Corp.	2	673,377	161,420	157,800	107,800	-	7.03%	1,122,295	Y	N	N
1	AMobile Intelligent Corp. Ltd.	AMobile Solutions Corp.	1	-	160,000	160,000	-	-	23.67%	337,918	N	N	N
2	AMobile Solutions (Xiamen) Co., Ltd.	AMobile Solutions (Shenzhen) Co., Ltd.	4	153,149	22,400	22,400	15,645	-	7.31%	153,149	N	N	Y

Note 1: The relationship between the endorsement and the endorsed object is as follows:

1. A company with which it does business.
2. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly or indirectly holds more than 50% of the voting shares of the company.
4. A company in which Amobile HK directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.

Note 2: (1) The total endorsement and guarantee to a single company shall not exceed 30% of the Company's net worth in recent financial statements. (2) The total external endorsement and guarantee shall not exceed 50% of the Company's net worth in recent financial statements. (3) Due to business transaction needs the endorsement, the endorsement / guarantee for single entity is less than the latest one year's total amount among the Endorsee / Guarantee and Arbor and subsidiaries.

Note 3: The endorsement balance to AMobile Intelligent Corp. Ltd. and its subsidiary AMobile Solutions Corp. are NT157,860 thousand, and the exchange rate is US\$1 to NT\$31.43. This endorsement balance is shared between AMobile Intelligent Corp. Ltd. and its subsidiary, AMobile Solutions Corp.

Note 4: The limits of endorsement / guarantee to AMobile Solutions Corp. is approved by Director Board meeting which agreed the total business transactions between both in latest year.

Note 5: AMobile Solutions (Xiamen) Co., Ltd. limits the endorsement and guarantee for a single enterprise and the cumulative amount to no more than 50% of the Company's net worth in recent financial statements.

ARBOR Technology Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

January 1, 2025 to December 31, 2025

Table 3

Unit: NT \$thousands

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared with third party transactions		Note and trade receivables/payables		Remark
			Purchases/Sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	payment terms	Balance	Percentage of total note and trade receivables(payables)	
ARBOR Technology Co., Ltd.	Arbor Solution Inc.	Subsidiary	Sales	(\$ 189,382)	19	approx.3-6 months	comparable to normal prices	approx.3-6 months	\$ 147,305	40	—
	Arbor Technology UK LTD.	Subsidiary	Sales	(101,143)	10	approx.3-6 months	comparable to normal prices	approx.3-6 months	43,526	12	—
	Victor Plus Holdings Ltd.	Others	Purchases	160,094	21	approx.3-6 months	comparable to normal prices	approx.3-6 months	(24,367)	19	—
AMobile Solutions Corp.	ARBOR Technology Co., Ltd.	Parent	Sales	(152,328)	19	approx.3-6 months	comparable to normal prices	approx.3-6 months	-	-	—
AMobile Solutions (Shenzhen) Co., Ltd.	AMobile Solutions Corp.	Parent	Sales	(129,961)	33	approx.3-6 months	comparable to normal prices	approx.3-6 months	42,722	30	—
Arbor Technology (Shenzhen)co., Ltd.	AMobile Solutions (Shenzhen) Co., Ltd.	Related parties	Sales	(122,187)	47	approx.3-6 months	comparable to normal prices	approx.3-6 months	122,269	42	—

Note: The above subsidiaries have been incorporated into the consolidated financial statements and the related gains and losses have been fully offset.

ARBOR Technology Co., Ltd. and Subsidiaries

Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of share capital

December 31, 2025

Table 4

Unit: NT \$thousands

Company Name	Related party	Relationship	Balance due from related parties	Turnover rate	Overdue receivables from related parties		Collection subsequent to the balance sheet date	Allowance for doubtful accounts	Remark
					Amount	Action taken			
Arbor Technology Corp.	Arbor Solution Inc.	Subsidiary	\$ 147,384	Note1	\$ 43,282	Collecting	\$ 57,931	\$ -	
Arbor Technology (Shenzhen)co., Ltd.	AMobile Solutions (Shenzhen) Co., Ltd.	Related parties	122,269	1.85	13,312	Collecting	14,845	-	

Note 1: It included other receivables, so it is not applicable for Turnover rate.

Note 2: The above subsidiaries have been incorporated into the consolidated financial statements and the related gains and losses have been fully offset.

ARBOR Technology Co., Ltd. and Subsidiaries

Names, Locations, and Related Information of Investees over which the Company Exercises Significant Influence (Excluding Information on Investment in Mainland China)

January 1, 2025 to December 31, 2025

Table 5

Unit: NT \$thousands

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				31 Dec, 2025	31 Dec, 2024	Shares/Units	%	Carrying Amount			
ARBOR Technology Co., Ltd.	Arbor Solution, Inc.	USA	Trading of industrial computers and peripherals	\$ 27,580	\$ 27,580	9,000,000	100	\$ 93,353	(\$ 17,506)	(\$ 17,506)	Subsidiary
ARBOR Technology Co., Ltd.	Guiding Technology Ltd.	British Virgin Islands	Trading	15,234	15,234	50	100	10,845	343	343	Subsidiary
ARBOR Technology Co., Ltd.	Allied Info Investments Ltd.	Samoa	Investing	27,281	27,281	850,000	100	(83)	158	158	Subsidiary
ARBOR Technology Co., Ltd.	Excellent Top International Development Ltd.	Hong Kong	Investing	163,956	163,956	40,562,150	100	210,006	(6,036)	(6,036)	Subsidiary
ARBOR Technology Co., Ltd.	Arbor France S. A. S	France	Trading of industrial computers and peripherals	24,194	24,194	-	100	48,459	2,306	2,306	Subsidiary
ARBOR Technology Co., Ltd.	Flourish Technology Co., Ltd.	Hong Kong	Investing and Trading	139,856	139,856	35,195,000	100	71,835	13,731	13,731	Subsidiary
ARBOR Technology Co., Ltd.	Arbor Korea Co., Ltd.	South Korea	Trading of industrial computers and peripherals	14,929	14,929	101,480	100	22,877	(2,674)	(2,674)	Subsidiary
ARBOR Technology Co., Ltd.	Acloud Intelligence Services Corp. Ltd.	Taiwan	Trading of industrial computers and peripherals	40,250	40,250	4,025,000	67.08	10,337	(1,699)	(1,140)	Subsidiary
ARBOR Technology Co., Ltd.	Best Vintage Global LTD.	Samoa	Investing	74,637	74,637	-	100	157,764	28,002	28,002	Subsidiary
ARBOR Technology Co., Ltd.	AMobile HK	Hong Kong	Investing and Trading	399,703	399,703	7,349,296	61.77	755,642	45,659	18,451	Subsidiary
ARBOR Technology Co., Ltd.	Anasis Tech Ltd.	Taiwan	Energy Technology Services	8,000	8,000	800,000	68.97	8,476	(863)	(595)	Subsidiary
Arbor Solution, Inc.	Aegex Mobile Solution LLC	USA	Trading of industrial computers and peripherals	31,999	-	-	60.00	32,601	1,936	1,162	Subsidiary
Best Vintage Global LTD	Perfect Stream LTD.	Samoa	Investing	74,637	74,637	-	100	157,764	28,002	28,002	Subsidiary
Perfect Stream LTD.	Arbor Technology UK LTD.	UK	Trading of industrial computers and peripherals	74,637	74,637	-	100	157,764	28,002	28,002	Subsidiary
AMobile HK	AMobile Solutions Corp.	Taiwan	Communication equipment and peripherals	333,197	333,197	20,000,000	100	373,687	23,743	23,743	Subsidiary
AMobile HK	Amobile (HK) Limited	Hong Kong	Communication equipment and peripherals	-	14,880	-	-	-	55	55	Subsidiary

ARBOR Technology Co., Ltd. and Subsidiaries
Information on investments in Mainland China
January 1, 2025 to December 31, 2025

Table 6

Unit: NT \$thousands
(Except as otherwise indicated)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note1)	Beginning balance remitted from Taiwan accumulated investment amount	Investment Flows		Year-end remitted from Taiwan accumulated investment amount	Net Income (Losses) of the Investee Company	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Year-end investment Carrying Amount	Year ended investment income repatriated	Remark
					Outflow	Inflow							
Arbor Beijing Technology Co., Ltd.	Trading of industrial computers and peripherals	\$ 30,009	2	\$ 27,281	\$ -	\$ -	\$ 27,281	\$ 174	100	\$ 174	(\$ 92)	\$ -	Note 4 、Note 2(2)B
Arbor Technology (Shenzhen)Co., Ltd.	Trading of industrial computers and peripherals	158,686	2	164,737	-	-	164,737	(6,036)	100	(6,036)	209,050	-	Note 5 、Note 2(2)B
Arbor China Technology Co.,Ltd.	Trading of industrial computers and peripherals	139,856	2	139,815	-	-	139,815	13,753	100	13,753	72,756	-	Note 6 、Note 2(2)B
AMobile Solutions (Xiamen) CO., LTD.	Communication equipment and peripherals.	220,907	2	143,716	-	-	143,716	21,481	61.77	13,269	189,200	-	Note 7 、Note 2(2)B
AMobile Solutions (Shenzhen) Co., Ltd.	Communication equipment and peripherals.	31,352	2	5,499	27,493	-	32,992	20,571	61.77	12,707	35,403	-	Note 8 、Note 2(2)B

Company name	Accumulated outflow from Taiwan at the end of the year Amount of investment in Mainland China	Ministry of Economic Affairs Investment Commission, MOEA. Approved investment amount	According to Ministry of Economic Affairs Investment Commission, MOEA Upper Limit on Investment	The disposed mainland companies at the end of the year which accumulated investment amount from Taiwan	The disposed mainland companies at the end of the year which accumulated Inward Remittance of Earnings to Taiwan
ARBOR Technology Co., Ltd.	\$ 508,541	\$ 544,847	\$ 1,346,754	\$ -	\$ -

Note 1: The method of investments was as follows:

- (1) Direct investment in mainland companies.
- (2) Investments in mainland China companies were through a company invested and established in a third region.
- (3) Others.

Note 2: Recognition the share of profits of subsidiaries and associates accounted for using equity method:

- (1) If the investee company is start-up and preparing, please note the states which don't have investment gain (loss).
- (2) The financial statement type to recognize share of associates and joint ventures accounted for equity method
 - A. The financial statements of the investee company were reviewed by the international accounting firms which cooperated with R.O.C. accounting firms.
 - B. The financial statements of the investee company were reviewed by the Group's auditor.
 - C. Others.

Note 3: This statement expressed in thousands of NTD.

Note 4: It is through via Allied Info Investments Ltd.

Note 5: It is through via Excellent Top International Development Ltd.

Note 6: It is through via Flourish Technology Co., Ltd.

Note 7: It is through via Amobile HK, due to December 16, 2024 Amobile HK has been a subsidiary of Arbor Technology Co., Ltd. and the companydisclouse by ownership.

Note 8: It is through via Amobile HK’ subsidiary Amobile Solution Co., due to December 16, 2024 Amobile HK has been a subsidiary of Arbor Technology Co., Ltd. and the company disclouse by ownership.