

**ARCADYAN TECHNOLOGY CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of Arcadyan Technology Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Arcadyan Technology Corporation and its subsidiaries as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$2,804,747 thousand and \$2,749,494 thousand, constituting 6% and 7% of consolidated total assets as of September 30, 2025 and 2024, respectively, total liabilities amounting to \$914,661 thousand and \$2,147,045 thousand, constituting 3% and 9% of consolidated total liabilities as of September 30, 2025 and 2024, respectively, and total comprehensive income amounting to \$10,094 thousand, \$(79,470) thousand, \$(86,679) thousand and \$(111,773) thousand, constituting 1%, 13%, 5% and 6% of absolute value of the consolidated total comprehensive income for the three months and nine months ended September 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Arcadyan Technology Corporation and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Keng-Chia Huang and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)
October 29, 2025

Notes to Readers

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

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

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES**

Consolidated Balance Sheets

(Expressed In thousand dollars of TWD)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2025 and 2024
(Expressed In thousand dollars of TWD)

	For the three months ended September 30,				For the nine months ended September 30,			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes (6)(d) and (6)(v)):		\$ 13,807,809	100	12,166,690	100	39,973,022	100
5000	Operating costs (notes (6)(g), (6)(j), (6)(k), (6)(r), (7) and (12))		<u>11,689,934</u>	85	<u>10,291,081</u>	85	<u>33,874,852</u>	85
	Gross profit from operations		<u>2,117,875</u>	15	<u>1,875,609</u>	15	<u>6,098,170</u>	15
	Operating expenses (notes (6)(j), (6)(k), (6)(r), (6)(w), (7) and (12)):							
6100	Selling expenses		222,105	2	212,923	2	621,374	2
6200	Administrative expenses		197,190	1	166,968	1	544,127	-
6300	Research and development expenses		<u>802,333</u>	6	<u>651,887</u>	5	<u>2,253,302</u>	6
	Total operating expenses		<u>1,221,628</u>	9	<u>1,031,778</u>	8	<u>3,418,803</u>	8
	Net operating income		<u>896,247</u>	6	<u>843,831</u>	7	<u>2,679,367</u>	7
	Non-operating income and expenses:							
7100	Interest income		69,268	1	41,671	-	198,028	-
7020	Other gains or losses		778	-	43,307	-	302	-
7230	Foreign exchange gains or losses, net (note (6)(x))		8,766	-	(38,693)	-	(45,700)	-
7635	Gains (losses) on financial assets (liabilities) at fair value through profit or loss (notes (6)(b) and (6)(d))		42,626	-	(15,552)	-	(1,791)	-
7770	Share of loss of associates and joint ventures accounted for using equity method (note (6)(h))		(2,596)	-	(6,923)	-	(15,021)	-
7510	Interest expense (note (6)(p))		<u>(10,778)</u>	-	<u>(12,136)</u>	-	<u>(31,208)</u>	-
	Total non-operating income and expenses		<u>108,064</u>	1	<u>11,674</u>	-	<u>104,610</u>	-
	Income before tax		<u>1,004,311</u>	7	<u>855,505</u>	7	<u>2,783,977</u>	7
7950	Less: Income tax expenses (note (6)(s))		<u>249,413</u>	2	<u>200,771</u>	2	<u>690,077</u>	2
	Net income		<u>754,898</u>	5	<u>654,734</u>	5	<u>2,093,900</u>	5
8300	Other comprehensive income:							
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))		1,484	-	(4,768)	-	(6,518)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(s))		-	-	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>1,484</u>	-	<u>(4,768)</u>	-	<u>(6,518)</u>	-
8360	Components of other comprehensive income (loss) that may be reclassified to profit or loss							
8361	Exchange differences on translation of foreign financial statements		106,408	1	(55,142)	-	(215,219)	-
8368	Gains (losses) on hedging instrument (note (6)(d))		80,656	1	-	-	(50,925)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss (note (6)(h))		72	-	36	-	83	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(s))		<u>16,131</u>	-	<u>-</u>	<u>-</u>	<u>(10,185)</u>	<u>-</u>
	Components of other comprehensive income (loss) that may be reclassified to profit or loss		<u>171,005</u>	2	<u>(55,106)</u>	-	<u>(255,876)</u>	-
	Other comprehensive income		<u>172,489</u>	2	<u>(59,874)</u>	-	<u>(262,394)</u>	-
8500	Total comprehensive income		<u>\$ 927,387</u>	7	<u>594,860</u>	5	<u>1,831,506</u>	5
	Net income, attributable to:							
8610	Owners of parent		\$ 753,709	5	657,680	5	2,098,229	5
8620	Non-controlling interests		<u>1,189</u>	-	<u>(2,946)</u>	-	<u>(4,329)</u>	-
	Comprehensive income attributable to:		<u>\$ 754,898</u>	5	<u>654,734</u>	5	<u>2,093,900</u>	5
8710	Owners of parent		\$ 925,794	7	597,623	5	1,836,262	5
8720	Non-controlling interests		<u>1,593</u>	-	<u>(2,763)</u>	-	<u>(4,756)</u>	-
	Earnings per share (note (6)(u))		<u>\$ 927,387</u>	7	<u>594,860</u>	5	<u>1,831,506</u>	5
9750	Basic earnings per share (TWD)		<u>\$ 3.42</u>		<u>2.98</u>		<u>9.52</u>	
9850	Diluted earnings per share (TWD)		<u>\$ 3.40</u>		<u>2.95</u>		<u>9.43</u>	
								8.47
								8.37

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024
(Expressed in thousand dollars of TWD)

	Equity attributable to owners of parent											Total equity attributable to owners of parent	Non- controlling interests	Total equity				
	Total other equity interest																	
	Unrealized gains (losses) on financial assets																	
Retained earnings																		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	through other comprehensive income	Gains (losses) on hedging instruments	Total other equity interest	Total equity attributable to owners of parent							
Balance at January 1, 2024	\$ 2,203,543	3,872,335	1,534,292	2,213	7,185,148	8,721,653	30,147	(14,058)	(11,396)	4,693	14,802,224	97,843	14,900,067					
Net income for the nine months ended September 30, 2024	-	-	-	-	1,866,306	1,866,306	-	-	-	-	1,866,306	(7,944)	1,858,362					
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	89,814	(14,355)	11,396	86,855	86,855	459	87,314					
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	1,866,306	1,866,306	89,814	(14,355)	11,396	86,855	1,953,161	(7,485)	1,945,676					
Appropriation and distribution of retained earnings:																		
Legal reserve appropriated	-	-	241,942	-	(241,942)	-	-	-	-	-	-	-	-	-	-			
Special reserve reversed	-	-	-	(2,213)	2,213	-	-	-	-	-	-	-	-	-	-			
Cash dividends of ordinary shares	-	-	-	-	(1,322,126)	(1,322,126)	-	-	-	-	(1,322,126)	-	(1,322,126)					
Cash dividends from capital surplus	-	(220,354)	-	-	-	-	-	-	-	-	(220,354)	-	(220,354)					
Changes in equity of subsidiaries and associates accounted for using equity method	-	(224)	-	-	-	-	-	-	-	-	(224)	-	(224)					
Balance at September 30, 2024	\$ 2,203,543	3,651,757	1,776,234	-	7,489,599	9,265,833	119,961	(28,413)	-	91,548	15,212,681	90,358	15,303,039					
Balance at January 1, 2025	\$ 2,203,543	3,651,759	1,776,234	-	8,133,796	9,910,030	199,700	(30,063)	-	169,637	15,934,969	91,707	16,026,676					
Net income for the nine months ended September 30, 2025	-	-	-	-	2,098,229	2,098,229	-	-	-	-	2,098,229	(4,329)	2,093,900					
Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	-	(214,709)	(6,518)	(40,740)	(261,967)	(261,967)	(427)	(262,394)					
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	2,098,229	2,098,229	(214,709)	(6,518)	(40,740)	(261,967)	1,836,262	(4,756)	1,831,506					
Appropriation and distribution of retained earnings:																		
Cash dividends of ordinary shares	-	-	-	-	(1,432,303)	(1,432,303)	-	-	-	-	(1,432,303)	-	(1,432,303)					
Legal reserve appropriated	-	-	251,051	-	(251,051)	-	-	-	-	-	-	-	-	-	-			
Cash dividends from capital surplus	-	(220,354)	-	-	-	-	-	-	-	-	(220,354)	-	(220,354)					
Changes in equity of subsidiaries and associates accounted for using equity method	-	(2,904)	-	-	-	-	-	-	-	-	(2,904)	-	(2,904)					
Balance at September 30, 2025	\$ 2,203,543	3,428,501	2,027,285	-	8,548,671	10,575,956	(15,009)	(36,581)	(40,740)	(92,330)	16,115,670	86,951	16,202,621					

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the nine months ended September 30, 2025 and 2024
(Expressed in thousand dollars of TWD)

	For the nine months ended September 30,	
	2025	2024
Cash flows from operating activities:		
Income before tax	\$ 2,783,977	2,446,875
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	527,720	589,084
Amortization expense	33,682	42,675
Reversal of expected credit impairment	(1,940)	(11,464)
Interest expense	31,208	39,102
Interest income	(198,028)	(137,617)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	1,791	(1,764)
Share of loss of associates and joint ventures accounted for using equity method	15,021	19,801
Losses (gains) on disposal of property, plant, and equipment and intangible assets	3,334	(1,205)
Lease modification benefits	-	(18,216)
Others	12,584	361
Total adjustments to reconcile profit (loss)	<u>425,372</u>	<u>520,757</u>
Changes in operating assets and liabilities:		
Decrease in financial assets or liabilities at fair value through profit or loss	4,311	42,734
(Increase) decrease in accounts receivable	(2,813,634)	2,970,915
Increase in other receivables (including related parties)	(196,310)	(1,116,411)
Increase in inventories	(2,735,492)	(156,122)
Decrease (increase) in prepayments	177,963	(171,959)
(Increase) decrease in other current assets	(874)	28,475
Increase in contract liabilities	792,186	2,999,869
Increase (decrease) in accounts payable (including related parties)	5,215,490	(1,117,528)
Increase in other payables (including related parties) and other current liabilities	885,691	170,355
Decrease in other operating liabilities	(2,048)	(1,671)
Total changes in operating assets and liabilities	<u>1,327,283</u>	<u>3,648,657</u>
Total adjustments	<u>1,752,655</u>	<u>4,169,414</u>
Cash inflow generated from operations	4,536,632	6,616,289
Interest received	208,927	135,565
Interest paid	(37,991)	(36,300)
Income taxes paid	(637,458)	(1,217,470)
Net cash flows from operating activities	<u>4,070,110</u>	<u>5,498,084</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(15,040,405)	-
Proceeds from disposal of financial assets at amortized cost	10,916,697	-
Acquisition of property, plant and equipment	(489,426)	(655,431)
Proceeds from disposal of property, plant and equipment	9,466	10,988
Decrease in refundable deposits	35,441	5,590
Acquisition of intangible assets	(32,003)	(34,973)
Increase in other non-current assets	(55,196)	(21,307)
Net cash flows used in investing activities	<u>(4,655,426)</u>	<u>(695,133)</u>
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings	(1,181,255)	39,610
Repayments of long-term borrowings	-	(502,073)
Repayments of principal of lease liabilities	(18,485)	(36,709)
Cash dividends paid	(1,652,651)	(1,542,480)
Decrease in deposits received	(2,195)	(5,049)
Net cash flows used in financing activities	<u>(2,854,586)</u>	<u>(2,046,701)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>27,121</u>	<u>5,711</u>
Net (decrease) increase in cash and cash equivalents	<u>(3,412,781)</u>	<u>2,761,961</u>
Cash and cash equivalents at beginning of period	<u>8,156,296</u>	<u>7,856,971</u>
Cash and cash equivalents at end of period	<u>\$ 4,743,515</u>	<u>10,618,932</u>

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

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2025 and 2024

(Expressed in thousand dollars of TWD, Unless Otherwise Specified)

(1) Company history

Arcadyan Technology Corporation (the “Company”) was incorporated in May 9, 2003 and merged with BroadNet Technology, Inc. on May 1, 2006.

The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates. The Company is primarily engaged in the research, development, manufacture and sale of integrated access devices, wireless networking products, digital home multimedia appliances, mobile broadband products and wireless audio-visual products. Please refer to note (4)(b) for related information of the Group primary business activities.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on October 29, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRS”) endorsed by the Financial Supervisory Commission (“FSC”), R.O.C. which have already been adopted.

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

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

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

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Except as described in the following paragraph, the material accounting policies used in the interim financial statement are consistent with the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Nature of operation	Percentage of ownership			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Arcadyan Technology N.A. Corp. (“Arcadyan USA”)	Selling and technical support of wireless networking products	100 %	100 %	100 %	
”	Arcadyan Germany Technology GmbH (“Arcadyan Germany”)	Selling and technical support of wireless networking products	100 %	100 %	100 %	Note 1
”	Arcadyan Technology Corporation Korea (“Arcadyan Korea”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
”	Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)	Investment activities	100 %	100 %	100 %	
The Company and ZHI-BAO	Arcadyan do Brasil Ltda. (“Aracadyan Brasil”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
”	Arcadyan India Private Limited (“Arcadyan India”)	Selling of wireless networking products	100 %	100 %	100 %	Note 3

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Nature of operation	Percentage of ownership			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	ZHI-BAO Technology Inc. ("ZHI-BAO")	Investment activities	100 %	100 %	100 %	
"	Tatung Technology Inc. ("TTI")	Research and development, and selling digital home appliance	61 %	61 %	61 %	Note 1
"	Arcadyan Technology Limited ("Arcadyan UK")	Selling and technical support of wireless networking products	100 %	100 %	100 %	Note 1
"	Arcadyan Technology Australia Pty Ltd ("Arcadyan AU")	Selling of wireless networking products	100 %	100 %	100 %	Note 1
"	Arcadyan Technology Corporation (Russia), LLC ("Arcadyan RU")	Selling of wireless networking products	100 %	100 %	100 %	Note 1
"	Arcadyan Turkey Technology and Trade Joint Stock Company ("Arcadyan Turkey")	Selling of wireless networking products	100 %	100 %	100 %	Note 1, 4
Arcadyan Holding	Sinoprime Global Inc. ("Sinoprime")	Investment activities	100 %	100 %	100 %	
"	Arcadyan Technology (Shanghai) Corp. ("SVA")	Research and development, and selling of wireless networking products	100 %	100 %	100 %	Note 1
"	Arch Holding (BVI) Corp. ("Arch Holding")	Investment activities	100 %	100 %	100 %	Note 2
Arch Holding	Compal Networking (Kunshan) Co., Ltd. ("CNC")	Manufacturing of wireless networking products	100 %	100 %	100 %	Note 2
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. ("Arcadyan Vietnam")	Manufacturing of wireless networking products	100 %	100 %	100 %	
TTI	Quest International Group Co., Ltd. ("Quest")	Investment activities	100 %	100 %	100 %	Note 1
"	Tatung Technology of Japan Co., Ltd. ("TTJC")	Selling of digital home appliance	- %	- %	100 %	Note 3, 5
Quest	Exquisite Electronic Co., Ltd. ("Exquisite")	Investment activities	100 %	100 %	100 %	Note 1
TTI and Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. ("TCH")	Manufacturing of digital home appliance	100 %	100 %	100 %	Note 1

Note 1: The financial statements of non-major subsidiaries as of September 30, 2025 and 2024 have not been reviewed by auditors.

Note 2: The financial statements of non-major subsidiaries as of September 30, 2025 have not been reviewed by the auditors.

Note 3: The financial statements of non-major subsidiaries as of September 30, 2024 have not been reviewed by the auditors.

Note 4: The subsidiary was incorporated on May 2, 2024.

Note 5: As of November 27, 2024, the subsidiary has completed its dissolution and liquidation process.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(c) Employee benefits

The pension cost for the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the reporting date of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

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

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

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, the major sources of significant accounting judgements, estimates and underlying assumptions of uncertainty which are in conformity with note (5) of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the consolidated financial statements for the year ended December 31, 2024. Please refer to note (6) of the consolidated financial statements for the year ended December 31, 2024.

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(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 3,171	4,603	3,099
Checking accounts and demand deposits	3,119,583	4,797,276	2,440,150
Time deposits with original maturities of less than three months	1,420,761	2,354,417	6,975,683
Repurchase agreements	<u>200,000</u>	<u>1,000,000</u>	<u>1,200,000</u>
	\$ 4,743,515	8,156,296	10,618,932

Please refer to note (6)(x) for the disclosure of the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current financial assets mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging:			
Foreign exchange forward contracts	\$ 20,841	-	226
Foreign exchange swaps contracts	<u>-</u>	<u>-</u>	<u>8,680</u>
	\$ 20,841	<u>-</u>	<u>8,906</u>
Non-current financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets:			
Fund unlisted on domestic or foreign markets	\$ 37,777	37,965	49,876
Held-for-trading financial liabilities:			
Derivative instruments not used for hedging:			
Foreign exchange forward contracts	\$ 18,107	-	18,835
Foreign exchange swaps contracts	<u>8,648</u>	<u>-</u>	<u>-</u>
Total	\$ 26,755	<u>-</u>	<u>18,835</u>

The Group uses derivative financial instruments to hedge the certain foreign exchange risk the Group is exposed to, arising from its operating activities. As of December 31, 2024, there were no outstanding derivative instruments without the application of hedge accounting. As of September 30, 2025 and 2024, the derivative instruments, without the application of hedge accounting, classified as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities were as follows:

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<u>September 30, 2025</u>			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Derivative financial assets:			
Forward contracts:			
Foreign exchange forward	EUR 8,000	Sell EUR / USD	January 29, 2026~ April 14, 2026
Foreign exchange forward	AUD 3,000	Sell AUD / USD	March 12, 2026
Foreign exchange forward	USD 3,389	Buy USD / INR	October 30, 2025
Foreign exchange forward	USD 15,000	Buy USD / TWD	October 30, 2025
Derivative financial liabilities:			
Forward contracts:			
Foreign exchange forward	EUR 24,000	Sell EUR / USD	October 14, 2025~ April 14, 2026
Foreign exchange forward	AUD 16,000	Sell AUD / USD	October 14, 2025~ February 12, 2026
Swap contracts:			
Foreign exchange swaps	USD 15,000	B/S USD / TWD	October 30, 2025
<u>September 30, 2024</u>			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Derivative financial assets:			
Forward contracts:			
Foreign exchange forward	USD 3,582	Buy USD / INR	November 14, 2024
Swap contracts:			
Foreign exchange forward	USD 20,000	B/S USD / TWD	October 30, 2024~ November 27, 2024
Derivative financial liabilities:			
Forward contracts:			
Foreign exchange forward	EUR 31,000	Sell EUR / USD	October 15, 2024~ December 30, 2024
Foreign exchange forward	USD 3,576	Buy USD / INR	October 30, 2024

Please refer to note (6)(x) for the exposure to credit risk of the financial instruments.

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

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Financial assets at fair value through other comprehensive income

	September 30, 2025	December 31, 2024	September 30, 2024
Equity investments at fair value through other comprehensive income:			
Stocks unlisted on domestic markets			
	\$ <u>12,919</u>	<u>19,437</u>	<u>21,087</u>

- (i) For the three months and nine months ended September 30, 2025 and 2024, unrealized gains (losses) from above-mentioned equity investments measured at fair value were \$1,484, \$(4,768), \$(6,518) and \$(14,355), respectively, recognized under other comprehensive income.
- (ii) There were no disposals of strategic investments and transfers of any cumulative gains or losses within equity relating to these investments for the nine months ended September 30, 2025 and 2024.
- (iii) Please refer to note (6)(x) for the information of market risk.
- (iv) The Group did not provide any aforementioned financial assets as collaterals.

(d) Financial assets and liabilities used for hedging

- (i) Financial assets and liabilities used for hedging were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Cash flow hedge:			
Financial assets used for hedging:			
Foreign exchange forward contracts	\$ <u>5,283</u>	-	-
Financial liabilities used for hedging:			
Foreign exchange forward contracts	\$ <u>56,208</u>	-	-

- (ii) Cash flow hedge—foreign exchange risk

The strategy of the Group is to enter into foreign exchange forward contracts to hedge its foreign currency exposure risk in relation to the forecast sales.

As of December 31 and September 30, 2024, the Group did not engage in derivative instruments for cash flow hedge. As of September 30, 2025, the information relating to the items designated as hedging instruments was as follows:

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	September 30, 2025			
	Contract amount (in thousands)	Currency	Maturity date	Average strike price
Derivative financial assets used for hedging				
Forward contracts:				
Forward exchange forward	EUR 20,000	Sell EUR to USD	January 29, 2026~ September 29, 2026	1.1966
Forward exchange forward	AUD 6,000	Sell AUD / USD	January 29, 2026~ June 29, 2026	0.6693
Derivative financial liabilities used for hedging				
Forward contracts:				
Foreign exchange forward	EUR 25,000	Sell EUR / USD	October 30, 2025~ December 30, 2025	1.1108
Foreign exchange forward	AUD 17,000	Sell AUD / USD	October 30, 2025~ May 28, 2026	0.6527

(iii) Adjustments on reclassification from components of other comprehensive income

For the three months and nine months ended September 30, 2025 and 2024, the details of adjustments on reclassification from components of other comprehensive income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Cash flow hedge:				
Gains (losses) in current period	\$ 4,917	-	(180,105)	30,315
Less: Gains (losses) of adjustments on reclassification from components of other comprehensive income which belongs to net income (loss)	(75,739)	-	(129,180)	16,069
Net gains (losses) recognized in other comprehensive income	<u><u>\$ 80,656</u></u>	<u><u>-</u></u>	<u><u>(50,925)</u></u>	<u><u>14,246</u></u>

(iv) For the three months and nine months ended September 30, 2025 and 2024, the ineffective portions of cash flow hedge recognized in profit or loss amounted to \$(8,839), \$0, \$(8,839) and \$0, respectively, and were included in "Gains (losses) on financial assets (liabilities) at fair value through profit or loss".

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(v) For the three months and nine months ended September 30, 2025 and 2024, gains or losses of adjustments on reclassification from other equity interest, deriving from the changes of fair value for hedge instruments, were recognized under operating revenues in the consolidated statements of comprehensive income.

(e) Financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturity of more than three months	<u>\$ 9,227,560</u>	<u>5,103,852</u>	<u>-</u>

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

As of September 30, 2025 and December 31, 2024, the ranges of interest rates for aforementioned financial assets were 0.67%~4.20% and 1.635%~1.80%, respectively.

As of September 30, 2025 and December 31, 2024, the Group did not provide any financial assets at amortized cost as collaterals.

(f) Accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable – measured at amortized cost	8,090,267	4,550,545	5,868,946
Accounts receivable – fair value through other comprehensive income	-	726,088	987,031
	<u>8,090,267</u>	<u>5,276,633</u>	<u>6,855,977</u>
Less: allowance for uncollectible accounts	<u>(36,611)</u>	<u>(31,503)</u>	<u>(32,274)</u>
	<u>\$ 8,053,656</u>	<u>5,245,130</u>	<u>6,823,703</u>

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

The Group applies the simplified approach to estimate its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics that represent customer's ability to pay all amount due under the contractual terms, as well as incorporated forward looking information, including historical credit losses experience and macroeconomic outlook. The expected credit losses of the Group as of September 30, 2025, December 31 and September 30, 2024 were as follows:

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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Credit rating	September 30, 2025			
	Gross carrying amount	Weighted-average ECL rate	Lifetime ECLs	Credit impaired
Level A	\$ 3,369,932	0%	-	No
Level B	3,415,720	0.1%	3,416	No
Level C	1,284,720	1%	13,300	No
Level D	-	5%	-	-
Level E	19,895	100%	19,895	Yes
Total	<u><u>\$ 8,090,267</u></u>		<u><u>36,611</u></u>	

Credit rating	December 31, 2024			
	Gross carrying amount	Weighted-average ECL rate	Lifetime ECLs	Credit impaired
Level A	\$ 1,736,227	0%	-	No
Level B	2,780,528	0.1%	2,781	No
Level C	738,542	1%	7,386	No
Level D	-	5%	-	-
Level E	21,336	100%	21,336	Yes
Total	<u><u>\$ 5,276,633</u></u>		<u><u>31,503</u></u>	

Credit rating	September 30, 2024			
	Gross carrying amount	Weighted-average ECL rate	Lifetime ECLs	Credit impaired
Level A	\$ 2,689,088	0%	-	No
Level B	3,316,820	0.1%	3,319	No
Level C	829,408	1%	8,294	No
Level D	-	5%	-	-
Level E	20,661	100%	20,661	Yes
Total	<u><u>\$ 6,855,977</u></u>		<u><u>32,274</u></u>	

The aging analysis of accounts receivable were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Not overdue	\$ 7,488,704	4,955,143	6,064,138
Overdue 1~30 days	358,835	298,067	731,422
Overdue 31~60 days	163,766	15	28,844
Overdue 61~90 days	58,846	1,714	8,918
Overdue 91~180 days	221	358	1,994
Overdue over 181 days	19,895	21,336	20,661
	<u><u>\$ 8,090,267</u></u>	<u><u>5,276,633</u></u>	<u><u>6,855,977</u></u>

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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The movement of allowance for uncollectible accounts receivable were as follows:

	For the nine months ended September 30,	
	2025	2024
Balance at beginning	\$ 31,503	41,153
Impairment loss recognized (reversed)	<u>5,108</u>	<u>(8,879)</u>
Balance at ending	<u><u>\$ 36,611</u></u>	<u><u>32,274</u></u>

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

The Group entered into accounts receivable factoring agreements with banks. Based on the agreements, the Group is not responsible for guaranteeing the ability of the accounts receivable of the obligor to make payment at the time of debt transfer and debt fulfillment. Thus, this is deemed as a non-recourse accounts receivable factoring. After the transfer of the accounts receivable, the Group can request partial advances as stipulated in the agreements. Interest calculated at an agreed rate during the period from the date of transfer until the accounts receivable are collected is paid to the bank. The remaining amount for which no advance is received when the accounts receivable are paid by the customers.

As of September 30, 2025, the Group did not enter into any accounts receivable factoring agreement with banks. Moreover, no accounts receivable had been factored as of December 31 and September 30, 2024.

(g) Inventories

(i) A summary of the Group's inventories were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	\$ 3,845,552	3,466,936	4,848,642
Raw materials	\$ 3,845,552	3,466,936	4,848,642
Work in progress and semi-finished goods	879,863	392,893	687,863
Finished goods	<u>9,147,933</u>	<u>7,278,027</u>	<u>6,996,844</u>
	<u><u>\$ 13,873,348</u></u>	<u><u>11,137,856</u></u>	<u><u>12,533,349</u></u>

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(ii) The details of operating costs for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Cost of sales and expenses	\$ 11,680,582	10,035,247	33,859,751	31,317,792
Provision for inventory valuation and obsolescence loss	9,352	255,834	15,101	3,761
	<u>\$ 11,689,934</u>	<u>10,291,081</u>	<u>33,874,852</u>	<u>31,321,553</u>

(iii) As of the reporting date, the Group did not provide any inventories as collaterals.

(h) Investments accounted for using equity method

A summary of the Group's financial information for equity-accounted investees at the reporting date were as follows:

	September 30, 2025		December 31, 2024		September 30, 2024	
	Associates	\$ 182,333	Associates	\$ 200,175	Associates	\$ 212,387

(i) Aggregate financial information of the Group's equity-accounted associates that are individually insignificant which included in the consolidated financial statements are summarized as follows:

	September 30, 2025		December 31, 2024		September 30, 2024	
	Associates	\$ 182,333	Associates	\$ 200,175	Associates	\$ 212,387
For the three months ended September 30,						
	2025	2024		2025	2024	
Share of associates attributed to the Group were as follows:						
Net loss from continuing operations	\$ (2,596)	(6,923)	(15,021)	(19,801)		
Other comprehensive income	72	36	83	67		
Total comprehensive loss	<u>\$ (2,524)</u>	<u>(6,887)</u>	<u>(14,938)</u>	<u>(19,734)</u>		

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(ii) The effects of changes in the equity of the aforementioned associates on equity attributable to owners of parent are as follows:

For the three months ended September 30,		For the nine months ended September 30,	
2025	2024	2025	2024
\$ 883	- (2,904)	\$ (224)	\$ (224)

(iii) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any investment accounted for using equity method as collaterals.

(i) Loss of control in subsidiaries

There were no changes in the Group's control over its subsidiaries for the nine months ended September 30, 2025. However, one of its subsidiaries, TTJC, had completed its dissolution and liquidation process in November 2024, the Group lost control over it. Consequently, TTJC has not been included in the consolidated financial statements since the date of completion of liquidation. For related information, please refer to note (6)(i) of the 2024 annual consolidated financial statements.

(j) Property, plant and equipment

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

Cost or deemed cost:	Land	Buildings and construction	Machinery and equipment	Research and development equipment	Mold equipment	Leasehold improvement and other equipment	Construction in progress and prepayment for purchase of equipment	Total
	\$							
Balance at January 1, 2025	\$ 878,978	3,220,556	3,157,158	842,636	203,334	506,872	526,929	9,336,463
Additions	-	11,052	207,164	76,441	9,877	18,732	176,806	500,072
Reclassifications	-	893	-	-	2,750	144	(6,809)	(3,022)
Disposals and derecognitions	-	-	(18,646)	(6,369)	(15,144)	(9,614)	-	(49,773)
Effect of movements in exchange rates	-	(161,836)	(181,650)	(9)	(540)	(13,560)	(118)	(357,713)
Balance at September 30, 2025	\$ 878,978	3,070,665	3,164,026	912,699	200,277	502,574	696,808	9,426,027
Balance at January 1, 2024	\$ 878,978	2,969,371	3,081,137	770,250	184,105	570,785	116,286	8,570,912
Additions	-	-	145,592	54,903	34,285	36,424	320,705	591,909
Reclassifications	-	99,474	1,662	25,513	-	-	(129,534)	(2,885)
Disposals and derecognitions	-	-	(260,235)	(20,106)	(35,019)	(110,047)	(1,331)	(426,738)
Effect of movements in exchange rates	-	67,621	16,690	9	596	2,746	2,495	90,157
Balance at September 30, 2024	\$ 878,978	3,136,466	2,984,846	830,569	183,967	499,908	308,621	8,823,355

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	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Research and development equipment</u>	<u>Mold equipment</u>	<u>Leasehold improvement and other equipment</u>	<u>Construction in progress and prepayment for purchase of equipment</u>	<u>Total</u>
Depreciation:								
Balance at January 1, 2025	\$ -	364,142	2,115,398	545,711	102,108	342,782	-	3,470,141
Depreciation for the period	-	91,258	257,185	70,236	40,488	42,234	-	501,401
Disposals and derecognitions	-	-	(6,954)	(6,367)	(14,113)	(9,539)	-	(36,973)
Effect of movements in exchange rates	-	(15,256)	(117,162)	(9)	(445)	(6,163)	-	(139,035)
Balance at September 30, 2025	<u>\$ -</u>	<u>440,144</u>	<u>2,248,467</u>	<u>609,571</u>	<u>128,038</u>	<u>369,314</u>	<u>-</u>	<u>3,795,534</u>
Balance at January 1, 2024	\$ -	233,959	1,956,850	477,460	94,592	368,656	-	3,131,517
Depreciation for the period	-	91,352	279,535	67,216	36,194	65,075	-	539,372
Disposals and derecognitions	-	-	(256,956)	(19,042)	(35,019)	(105,938)	-	(416,955)
Effect of movements in exchange rates	-	1,898	(13,660)	9	445	(1,285)	-	(12,593)
Balance at September 30, 2024	<u>\$ -</u>	<u>327,209</u>	<u>1,965,769</u>	<u>525,643</u>	<u>96,212</u>	<u>326,508</u>	<u>-</u>	<u>3,241,341</u>
Carrying amounts:								
Balance at January 1, 2025	<u>\$ 878,978</u>	<u>2,856,414</u>	<u>1,041,760</u>	<u>296,925</u>	<u>101,226</u>	<u>164,090</u>	<u>526,929</u>	<u>5,866,322</u>
Balance at September 30, 2025	<u>\$ 878,978</u>	<u>2,630,521</u>	<u>915,559</u>	<u>303,128</u>	<u>72,239</u>	<u>133,260</u>	<u>696,808</u>	<u>5,630,493</u>
Balance at January 1, 2024	<u>\$ 878,978</u>	<u>2,735,412</u>	<u>1,124,287</u>	<u>292,790</u>	<u>89,513</u>	<u>202,129</u>	<u>116,286</u>	<u>5,439,395</u>
Balance at September 30, 2024	<u>\$ 878,978</u>	<u>2,809,257</u>	<u>1,019,077</u>	<u>304,926</u>	<u>87,755</u>	<u>173,400</u>	<u>308,621</u>	<u>5,582,014</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any property, plant and equipment as collaterals.

(k) Right-of-use assets

The Group leases land, buildings and vehicles, recognizing as right-of-use assets. The cost and depreciation of the right-of-use assets of the Group for the nine months ended September 30, 2025 and 2024 were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Vehicles and other</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 351,967	66,553	11,816	430,336
Additions	-	-	707	707
Disposals and derecognitions	-	-	(7,832)	(7,832)
Effect of movements in exchange rates	(23,769)	(2,078)	-	(25,847)
Balance at September 30, 2025	<u>\$ 328,198</u>	<u>64,475</u>	<u>4,691</u>	<u>397,364</u>
Balance at January 1, 2024	\$ 330,242	358,769	21,987	710,998
Additions	-	10,341	1,729	12,070
Disposals and derecognitions	-	(304,313)	(12,209)	(316,522)
Effect of movements in exchange rates	10,593	1,251	(38)	11,806
Balance at September 30, 2024	<u>\$ 340,835</u>	<u>66,048</u>	<u>11,469</u>	<u>418,352</u>

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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	Land	Buildings and construction	Vehicles and other	Total
Depreciation:				
Balance at January 1, 2025	\$ 37,320	25,700	8,743	71,763
Depreciation for the period	5,525	19,277	1,517	26,319
Disposals and derecognitions	-	-	(7,832)	(7,832)
Effect of movements in exchange rates	(2,645)	(1,098)	-	(3,743)
Balance at September 30, 2025	<u><u>\$ 40,200</u></u>	<u><u>43,879</u></u>	<u><u>2,428</u></u>	<u><u>86,507</u></u>
Balance at January 1, 2024	\$ 27,770	221,934	16,679	266,383
Depreciation for the period	5,669	40,152	3,891	49,712
Disposals and derecognitions	-	(236,425)	(11,356)	(247,781)
Effect of movements in exchange rates	831	(482)	(35)	314
Balance at September 30, 2024	<u><u>\$ 34,270</u></u>	<u><u>25,179</u></u>	<u><u>9,179</u></u>	<u><u>68,628</u></u>
Carrying amount:				
Balance at January 1, 2025	\$ 314,647	40,853	3,073	358,573
Balance at September 30, 2025	<u><u>\$ 287,998</u></u>	<u><u>20,596</u></u>	<u><u>2,263</u></u>	<u><u>310,857</u></u>
Balance at January 1, 2024	<u><u>\$ 302,472</u></u>	<u><u>136,835</u></u>	<u><u>5,308</u></u>	<u><u>444,615</u></u>
Balance at September 30, 2024	<u><u>\$ 306,565</u></u>	<u><u>40,869</u></u>	<u><u>2,290</u></u>	<u><u>349,724</u></u>

(l) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank borrowings	\$ -	1,181,255	1,415,068
Unused credit lines for short-term borrowings	<u><u>\$ 18,493,697</u></u>	<u><u>17,025,248</u></u>	<u><u>16,911,124</u></u>
Range of interest rates	<u><u>-</u></u>	<u><u>3.58~4.70%</u></u>	<u><u>3.60%~4.91%</u></u>

For the information of the Group's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(x).

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(m) Other payables (including related parties)

The details of other payables were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Payable for salaries, bonuses and employee's compensation	\$ 1,458,489	1,386,017	1,165,000
Payable for import and export expenses and freight charges	1,086,428	1,147,617	1,044,207
Payable for service fees	178,147	175,183	177,200
Others	<u>4,506,653</u>	<u>3,830,329</u>	<u>3,671,521</u>
Total	\$ 7,229,717	6,539,146	6,057,928

(n) Other current liabilities

The details of other current liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Temporary receipts—Non-Recurring			
Engineering revenue and collection on behalf of others	\$ 1,164,250	921,152	1,022,832
Others	<u>185,068</u>	<u>363,476</u>	<u>124,523</u>
Total	\$ 1,349,318	1,284,628	1,147,355

(o) Long-term borrowings (including current portion)

- (i) As of September 30, 2025, December 31 and September 30, 2024, the Group had no outstanding long-term borrowings and no unused credit facilities.
- (ii) For the nine months ended September 30, 2025, the Group did not incur or repay any long-term borrowings. For the nine months ended September 30, 2024, the Group had incurred and repaid long-term borrowings amounting to \$0 and \$502,073, respectively, with a maturity date of April to May 2024.
- (iii) The Group did not provide any assets pledged as collaterals for the long-term borrowings.
- (iv) For the information of the Group's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(x).

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(p) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 17,405	23,280	23,807
Non-current	\$ 4,313	17,015	17,968

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest expense on lease liabilities	\$ 180	338	718	2,457
Expenses relating to short- term leases	\$ 4,621	3,395	12,101	11,344

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the nine months ended September 30,	
	2025	2024
Total cash outflow for leases	\$ 31,304	50,510

(i) Land, buildings, offices and vehicles leases

The Group leases buildings, offices and vehicles with lease terms ranging from 1 to 5 years, and the right-of-use for land has a term of 45 years.

(ii) Other leases

The Group leases parts of offices and vehicles with lease terms of 1 year. The Group has elected not to recognize right-of-use assets and lease liabilities for these short-term leases.

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(q) Provisions- current

Provisions for warranty are related to sales of products and are estimated based on historical experience of similar products or services and customer feedback.

There were no significant changes in provisions for the nine months ended September 30, 2025 and 2024. Please refer to note (6)(r) of the 2024 annual consolidated financial statements for related information.

(r) Employee benefits

(i) Defined benefit plans

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating costs	\$ 31	42	89	137
Selling expenses	36	49	103	148
Administrative expenses	56	62	166	188
Research and development expenses	150	248	455	731
	\$ 273	401	813	1,204

(ii) Defined contribution plans

The pension expenses of the Company and its domestic subsidiaries under the defined contribution plan were was contributed to the Bureau of Labor Insurance as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating costs	\$ 463	422	1,376	1,355
Selling expenses	1,493	1,249	4,223	3,746
Administrative expenses	1,923	1,870	5,685	5,444
Research and development expenses	11,320	10,518	32,668	30,795
	\$ 15,199	14,059	43,952	41,340

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Other subsidiaries included in the preparation of the consolidated financial statements recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to \$10,540, \$10,612, \$31,397 and \$31,537 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(s) Income taxes

(i) Income tax expenses for the period are the best estimated measurement by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. The amount of income tax expenses was as follows:

	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Current income tax expense	\$ <u>249,413</u>	<u>200,771</u>	<u>690,077</u>	<u>588,513</u>

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

	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Items that may be reclassified subsequently to profit or loss:				
Gains (losses) on hedging instruments	\$ <u>16,131</u>	<u>-</u>	<u>(10,185)</u>	<u>2,850</u>

(iii) Examination and approval

The ROC tax authorities have examined the income tax returns of the Company through 2022, ZHI-BAO and TTI through 2023. The relevant differences of examination have been reflected as income tax adjustments in the year of determination.

(iv) Global minimum top-up tax

Some of the Group's operating regions have enacted a new global minimum top-up tax law. The Group is closely monitoring the legislative progress for the introduction of the global minimum top-up tax in each of the regions in which the Group operates. As of September 30, 2025, the application of this new tax law was assessed to have no significant impact on the Group.

The Group recognizes supplemental tax as current income tax expense when incurred and applies a temporary mandatory relief for the deferred income tax accounting treatment arising from the supplement tax.

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(t) Capital and other equities

Except for the following disclosures, there was no significant change for capital and other equity interest for the nine months ended September 30, 2025 and 2024. Please refer to note (6)(u) of the 2024 annual consolidated financial statements for related information.

(i) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-in capital—premium	\$ 3,420,556	3,640,910	3,640,910
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries	3,698	3,698	3,698
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	3,886	6,790	6,788
Expired stock options	361	361	361
	\$ 3,428,501	3,651,759	3,651,757

The Company's Board of Directors meeting held on February 26, 2025 and February 22, 2024, approved to distribute the cash of \$220,354 (TWD1 per share) from capital surplus. The related information can be accessed through the Market Observation Post System website.

(ii) Retained earnings

According to the Company's Articles of Incorporation, if the Company makes earnings in a fiscal year, after all tax and dues have been paid and accumulated loss for previous years have been made up, shall set aside 10% of earnings as legal reserve (unless the amount of legal reserve reaches total paid-in capital), and set aside the special reserve in accordance with relevant laws and regulations. Depending on operation conditions, the board of directors shall retain an appropriate amount then propose an earnings distribution plan. According to the Company's Articles of Incorporation, the Company authorizes the board of directors to distribute dividend, bonus, capital surplus and legal reserve in whole or in part in the form of cash, after a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of total number of directors, and shall report such distribution plan in the general shareholders' meeting.

The Company adheres to a stable dividend policy, and dividends distribution should be determined after considering the business environment, operating performance, financial structure. If there is any year-end retained earnings to be distributed to shareholders, the dividend and bonus shall not be lower than 30% of the net income and the cash dividends to shareholders shall not be lower than 10% of total dividends.

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(iii) Earnings distributed

Earnings distribution for 2024 and 2023 were approved by the Board of Directors meeting held on February 26, 2025 and February 22, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share (TWD)	Total amount	Amount per share (TWD)	Total amount
Cash dividends distributed to ordinary shareholders	\$ 6.5	<u>1,432,303</u>	6.0	<u>1,322,126</u>

(u) Earnings per share

The basic earnings per share and diluted earnings per share of the Group are calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Net income attributable to ordinary shareholders of the Company	\$ <u>753,709</u>	<u>657,680</u>	<u>2,098,229</u>	<u>1,866,306</u>
Weighted-average number of ordinary shares (in thousands)	<u>220,354</u>	<u>220,354</u>	<u>220,354</u>	<u>220,354</u>
Basic earnings per share (TWD)	<u>\$ 3.42</u>	<u>2.98</u>	<u>9.52</u>	<u>8.47</u>
Diluted earnings per share:				
Net income attributable to ordinary shareholders of the Company	\$ <u>753,709</u>	<u>657,680</u>	<u>2,098,229</u>	<u>1,866,306</u>
Weighted-average number of ordinary shares (in thousands)	220,354	220,354	220,354	220,354
Effect of dilutive potential ordinary shares (in thousands):				
Effect of compensation to employees	1,623	2,216	2,084	2,681
Weighted-average number of ordinary shares (adjusted for the effects of dilutive potential ordinary shares)(in thousands)	<u>221,977</u>	<u>222,570</u>	<u>222,438</u>	<u>223,035</u>
Diluted earnings per share (TWD)	<u>\$ 3.40</u>	<u>2.95</u>	<u>9.43</u>	<u>8.37</u>

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Primary geographical markets:				
America	\$ 7,167,076	4,861,302	19,413,846	15,231,050
Europe	3,916,911	3,589,247	12,309,460	10,208,310
Asia and others	<u>2,723,822</u>	<u>3,716,141</u>	<u>8,249,716</u>	<u>11,440,989</u>
	<u>\$ 13,807,809</u>	<u>12,166,690</u>	<u>39,973,022</u>	<u>36,880,349</u>
Major products:				
Smart home solution	5,085,312	5,860,459	15,632,548	17,070,194
Mobility solution	4,630,260	3,373,528	12,811,962	11,324,342
Broadband solution	3,618,721	2,615,749	10,171,520	7,412,431
Others	<u>473,516</u>	<u>316,954</u>	<u>1,356,992</u>	<u>1,073,382</u>
	<u>\$ 13,807,809</u>	<u>12,166,690</u>	<u>39,973,022</u>	<u>36,880,349</u>

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 8,090,267	5,276,633	6,855,977
Less: allowance for uncollectible accounts	<u>(36,611)</u>	<u>(31,503)</u>	<u>(32,274)</u>
Total	<u>\$ 8,053,656</u>	<u>5,245,130</u>	<u>6,823,703</u>
Contract liabilities - current	<u>\$ 2,862,113</u>	<u>2,069,927</u>	<u>3,351,098</u>

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

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

The amounts of revenue recognized for the nine months ended September 30, 2025 and 2024 that were included in the balance of contract liabilities at the beginning of the periods were \$1,981,488 and \$185,305, respectively.

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(w) Compensation to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if there is any profit before tax prior to deduction of the compensation of employees and directors in a fiscal year, it shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% of the remaining net profit shall be allocated as directors' compensation and no less than 5% as employee compensation, including a minimum of 5% to those base-level employees.

Prior to the amendment, the Articles of Incorporation stipulated that, if there is any profit before tax prior to deduction of the compensation of employees and directors in a fiscal year, it shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% of the remaining net profit shall be allocated as directors' compensation and no less than 5% as employee compensation.

In the event that the Company has accumulated losses, the Company shall reserve an amount to offset its accumulated losses. Employees who are entitled to receive the above-mentioned employee compensation, in share or cash, may include the employees who serve in the subsidiaries of the Company who meet certain specific requirements.

For the three months and nine months ended September 30, 2025 and 2024, the Company accrued and recognized the employee compensation of \$128,585 (including base-level employees), \$110,237, \$356,201 (including base-level employees) and \$314,652; as well as the directors' compensations of \$6,746, \$5,920, \$18,909 and \$17,039, respectively. The estimated amounts mentioned above are based on the income before tax prior to deduction of the compensation to employees and directors of each respective ending period, multiplied by the percentage of compensation to employees and directors, which were approved by the management of the Company. The estimations were recorded under operating costs or operating expenses for each period. The differences between the actual amounts and the estimates recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year. If the Board of Directors resolves to distribute employee compensation in the form of stock, the number of the shares of the employee compensation is determined based on the closing price of the day before the Board of Directors meeting.

The Company accrued and recognized its employee compensation of \$421,162 and \$413,218, and directors' remuneration of \$22,792 and \$21,995 for the years ended December 31, 2024 and 2023, respectively, which were both paid in cash. There were no differences between the amounts approved by the Board of Directors meeting and those recognized in the consolidated financial statements, and the related information can be accessed through the Market Observation Post System website.

(x) Financial instruments

Except for those described below, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk, liquidity risk and market risk. Please refer to note (6)(y) of the 2024 annual consolidated financial statements for related information.

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(i) Credit risk

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

Other financial assets at amortized cost include other receivables (including related parties), repurchase agreements and time deposits. These financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Besides, due to the counterparties and the performing parties of the time deposits and repurchase agreements held by the Group are financial institutions with investment grade or higher credit ratings, these time deposits and repurchase agreements are considered to have low credit risk.

The movements of allowance for the nine months ended September 30, 2025 and 2024 were as follows:

	Other receivables
Balance at January 1, 2025	\$ 8,220
Impairment loss reversed	(7,048)
Balance at September 30, 2025	<u><u>\$ 1,172</u></u>
Balance at January 1, 2024	\$ 12,418
Impairment loss reversed	(2,585)
Balance at September 30, 2024	<u><u>\$ 9,833</u></u>

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities. Except for lease liabilities, the amounts exclude estimated interest payments.

	Carrying amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
September 30, 2025					
Non-derivative financial liabilities					
Accounts payable (including related parties)	\$ 15,897,790	(15,897,790)	(15,897,790)	-	-
Other payables	7,229,717	(7,229,717)	(7,229,717)	-	-
Lease liability—current and non-current	21,718	(22,074)	(17,744)	(4,266)	(64)
Deposits received	32,245	(32,245)	(1,374)	(135)	(30,736)
Derivative financial liabilities					
Other foreign exchange forward contracts:	18,107				
Outflow		(1,173,600)	(1,173,600)	-	-
Inflow		1,169,866	1,169,866	-	-
Foreign exchange swaps contracts:	8,648				
Outflow		(457,725)	(457,725)	-	-
Inflow		447,375	447,375	-	-
Foreign exchange forward contracts used for hedging:	56,208				
Outflow		(1,229,140)	(1,229,140)	-	-
Inflow		1,186,002	1,186,002	-	-
	<u><u>\$ 23,264,433</u></u>	<u><u>(23,239,048)</u></u>	<u><u>(23,203,847)</u></u>	<u><u>(4,401)</u></u>	<u><u>(30,800)</u></u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
December 31, 2024					
Non-derivative financial liabilities					
Unsecured bank loans	\$ 1,181,255	(1,181,255)	(1,181,255)	-	-
Accounts payable (including related parties)	10,682,300	(10,682,300)	(10,682,300)	-	-
Other payables	6,539,146	(6,539,146)	(6,539,146)	-	-
Lease liability—current and non-current	40,295	(41,392)	(24,149)	(16,605)	(638)
Deposits received	<u>34,440</u>	<u>(34,440)</u>	<u>(1,374)</u>	<u>-</u>	<u>(33,066)</u>
	<u>\$ 18,477,436</u>	<u>(18,478,533)</u>	<u>(18,428,224)</u>	<u>(16,605)</u>	<u>(33,704)</u>
September 30, 2024					
Non-derivative financial liabilities					
Unsecured bank loans	\$ 1,415,068	(1,415,068)	(1,415,068)	-	-
Accounts payable (including related parties)	11,197,375	(11,197,375)	(11,197,375)	-	-
Other payables	6,057,928	(6,057,928)	(6,057,928)	-	-
Lease liability—current and non-current	41,775	(42,821)	(24,621)	(15,282)	(2,918)
Deposits received	33,418	(33,418)	-	(1,374)	(32,044)
Other foreign exchange forward contracts:	18,835				
Outflow		(1,207,200)	(1,207,200)	-	-
Inflow		1,194,890	1,194,890	-	-
	<u>\$ 18,764,399</u>	<u>(18,758,920)</u>	<u>(18,707,302)</u>	<u>(16,656)</u>	<u>(34,962)</u>

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exposure to foreign currency risk

The Group's significant exposure to financial assets and liabilities for foreign currency risk were as follows:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD	\$ 813,701	USD/TWD =30.515	24,830,086	711,696	USD/TWD =32.725	23,290,252	730,769	USD/TWD =31.690	23,158,070
EUR	36,641	EUR/TWD =35.620	1,305,152	18,615	EUR/TWD =34.130	635,330	39,148	EUR/TWD =35.280	1,381,141

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	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial liabilities									
Monetary items									
USD	993,904 USD/TWD =30.515		30,328,981	727,764 USD/TWD =32.725		23,816,077	754,743 USD/TWD =31.690		23,917,806
EUR	917 EUR/TWD =35.620		32,664	11,194 EUR/TWD =34.130		382,051	1,181 EUR/TWD =35.280		41,666

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables (including related parties), short-term borrowings, accounts payable (including related parties), and other payables (including related parties) that are denominated in foreign currency. The analysis assumes that all other variables remain constant. A strengthening (weakening) 5% of each foreign currency against the functional currency on September 30, 2025 and 2024, would have affected the net income before tax for the nine months ended September 30, 2025 and 2024 as follows. The analysis is performed on the same basis for both periods.

	September 30, 2025	September 30, 2024
USD (against the TWD)		
Strengthening 5%	\$ (274,945)	(37,987)
Weakening 5%	274,945	37,987
EUR (against the TWD)		
Strengthening 5%	63,624	66,974
Weakening 5%	(63,624)	(66,974)

3) Exchange gains and losses of monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and nine months ended September 30, 2025 and 2024, the net foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$8,766, \$(38,693), \$(45,700) and \$46,626, respectively.

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(iv) Interest rate analysis

The Group's risk exposure to financial assets and liabilities for interest rate were as follows:

	Carrying amount	
	September 30, 2025	September 30, 2024
Fixed rate financial instrument:		
Financial assets	\$ 10,848,321	8,175,683
Financial liabilities	- <hr/>	(1,415,068) <hr/>
	\$ 10,848,321	6,760,615
Variable rate financial instrument:		
Financial assets	<hr/> \$ 3,119,533	<hr/> 2,439,869

The following sensitivity analysis is based on the risk exposure to interest rate for the non-derivative financial instruments on the reporting date. Regarding the assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date were outstanding throughout the whole year. The rate of change used for internal reporting to management internally is expressed as the interest rate increase or decrease by 0.25%, which also represents the assessment of the Group's management for the reasonably possible range of interest rate changes.

If the interest rate had increased or decreased by 0.25% on the reporting date, assuming all other variable factors remaining constant, the net income before tax would have increased or decreased by \$5,849 and \$4,575 for the nine months ended September 30, 2025 and 2024, respectively, mainly due to the Group's bank deposits with variable interest rates.

(v) Fair value

1) The categories and fair value of financial instruments

The Group's financial assets and liabilities at fair value through profit or loss, financial assets and liabilities used for hedging and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities (including the information on fair value hierarchy, but excluding financial instruments not measured at fair value whose carrying amount reasonably approximates to the fair value, and lease liabilities, as the disclosures of fair value information is not required), were as follows:

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	September 30, 2025				
	Carrying amount	Level 1	Level 2	Level 3	Fair value
					Total
Financial assets at fair value through profit or loss—current and non-current					
Derivative financial assets	\$ 20,841	-	20,841	-	20,841
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>37,777</u>	-	-	37,777	37,777
Subtotal	<u>58,618</u>				
Financial assets used for hedging	<u>5,283</u>	-	5,283	-	5,283
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	<u>12,919</u>	-	-	12,919	12,919
Financial assets measured at amortized cost					
Cash and cash equivalents	4,743,515	-	-	-	-
Time deposits with original maturity of more than three months	9,227,560	-	-	-	-
Accounts receivable, net	8,053,656	-	-	-	-
Other receivables (including related parties)	1,858,506	-	-	-	-
Refundable deposits	<u>89,788</u>	-	-	-	-
Subtotal	<u>23,973,025</u>				
Total	<u><u>\$ 24,049,845</u></u>				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 26,755	-	26,755	-	26,755
Financial liabilities for hedging	<u>56,208</u>	-	56,208	-	56,208
Financial liabilities measured at amortized cost					
Accounts payable (including related parties)	15,897,790	-	-	-	-
Other payables (including related parties)	7,229,717	-	-	-	-
Lease liabilities—current and non-current	21,718	-	-	-	-
Deposits received	<u>32,245</u>	-	-	-	-
Subtotal	<u>23,181,470</u>				
Total	<u><u>\$ 23,264,433</u></u>				

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024					
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss — current and non-current						
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 37,965		-	-	37,965	37,965
Financial assets at fair value through other comprehensive income						
Stocks unlisted on domestic markets	19,437		-	-	19,437	19,437
Accounts receivable	726,088		-	726,088	-	726,088
Subtotal	<u>745,525</u>					
Financial assets measured at amortized cost						
Cash and cash equivalents	8,156,296		-	-	-	-
Time deposits with original maturity of more than three months	5,103,852		-	-	-	-
Accounts receivable, net	4,519,042		-	-	-	-
Other receivables	1,666,047		-	-	-	-
Refundable deposits	125,229		-	-	-	-
Subtotal	<u>19,570,466</u>					
Total	<u><u>\$ 20,353,956</u></u>					
Financial liabilities measured at amortized cost						
Short-term borrowings	\$ 1,181,255		-	-	-	-
Accounts payable (including related parties)	10,682,300		-	-	-	-
Other payables	6,539,146		-	-	-	-
Lease liabilities—current and non-current	40,295		-	-	-	-
Deposits received	34,440		-	-	-	-
Total	<u><u>\$ 18,477,436</u></u>					

(Continued)

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Notes to the Consolidated Financial Statements

	September 30, 2024				
	Carrying amount	Level 1	Level 2	Level 3	Fair Value
					Total
Financial assets at fair value through profit or loss — current and non-current					
Derivative financial assets	\$ 8,906	-	8,906	-	8,906
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>49,876</u>	-	-	49,876	49,876
Subtotal	<u>58,782</u>				
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	21,087	-	-	21,087	21,087
Accounts receivable	<u>987,031</u>	-	987,031	-	987,031
Subtotal	<u>1,008,118</u>				
Financial assets measured at amortized cost					
Cash and cash equivalents	10,618,932	-	-	-	-
Accounts receivable, net	5,836,672	-	-	-	-
Other receivables	2,114,902	-	-	-	-
Refundable deposits	<u>101,680</u>	-	-	-	-
Subtotal	<u>18,672,186</u>				
Total	<u><u>\$ 19,739,086</u></u>				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 18,835	-	18,835	-	18,835
Financial liabilities measured at amortized cost					
Short-term borrowings	1,415,068	-	-	-	-
Accounts payable (including related parties)	11,197,375	-	-	-	-
Other payables	6,057,928	-	-	-	-
Lease liabilities—current and non-current	41,775	-	-	-	-
Deposits received	<u>33,418</u>	-	-	-	-
Subtotal	<u>18,745,564</u>				
Total	<u><u>\$ 18,764,399</u></u>				

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Notes to the Consolidated Financial Statements

2) Fair value valuation techniques for financial instruments not measured at fair value

The Group estimates financial instruments that not measured at fair value by using methods and assumptions as follows:

a) Financial assets and financial liabilities measured at amortized cost

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

3) Fair value valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments trade in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in active markets.

Fair value measured using a valuation technique can be extrapolated from fair value of similar financial instruments, the discounted cash flow method, or other valuation techniques, including models that incorporate observable market data available at the reporting date.

The Group holds the unquoted equity investments of financial instruments without an active market. The measurement of fair value of the equity instruments is based on the Guideline Public Company method, which mainly assumes the evaluation by the Price-to-Book ratio of comparable public companies and by the discount for lack of marketability. The estimation has been adjusted by the effect of discount due to the lack of marketability for the equity securities.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants, such as discount method or option pricing models. Fair value of foreign exchange forward contracts is usually determined by using the forward exchange rate.

4) Transfers between fair value hierarchy

There was no transfer between the level of fair value hierarchy for the nine months ended September 30, 2025 and 2024.

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5) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income
Balance at January 1, 2025	\$ 37,965	19,437
Proceeds from capital reduction of investments	(2,563)	-
Total gains and losses recognized		
In profit or loss	2,375	-
In other comprehensive income	-	(6,518)
Balance at September 30, 2025	<u><u>\$ 37,777</u></u>	<u><u>12,919</u></u>
Balance at January 1, 2024	\$ 48,112	35,442
Total gains and losses recognized		
In profit or loss	1,764	-
In other comprehensive income	-	(14,355)
Balance at September 30, 2024	<u><u>\$ 49,876</u></u>	<u><u>21,087</u></u>

For the three months and nine months ended September 30, 2025 and 2024, total gains and losses mentioned above recognized in “Gains (losses) on financial assets (liabilities) at fair value through profit or loss” and “Gains (losses) from investments in equity instruments measured at fair value through other comprehensive income” were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Total gains and losses recognized:				
In profit or loss, and presented in “Gains (losses) on financial assets (liabilities) at fair value through profit or loss”	\$ <u><u>5,147</u></u>	(2,459)	<u><u>2,375</u></u>	<u><u>1,764</u></u>
In other comprehensive income, and presented in “Gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”	<u><u>1,484</u></u>	<u><u>(4,768)</u></u>	<u><u>(6,518)</u></u>	<u><u>(14,355)</u></u>

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group's financial instruments that use Level 3 inputs to measure fair values include "financial assets measured at fair value through profit or loss – investments in private equity fund" and "financial assets measured at fair value through other comprehensive income – equity investments".

Most of the fair value measurements of the Group categorized as Level 3 have single significant unobservable inputs. However, equity investments without an active market contain multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent from each other, as a result, there is no correlation between them.

Quantified information of significant unobservable inputs were as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income–equity investments without an active market	Comparable market approach	<ul style="list-style-type: none"> · Price-to-Book ratio multiples (1.70~1.77, 1.71~2.07 and 1.82~2.10 on September 30, 2025, December 31 and September 30, 2024, respectively) · Lack-of-Marketability discount rate (All are 30% on September 30, 2025, December 31 and September 30, 2024) 	<ul style="list-style-type: none"> · The higher the multiple is , the higher the fair value will be. · The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
Financial assets at fair value through profit or loss–investments in private equity fund	Net asset value method	· Net asset value	· Inapplicable

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7) Fair value measurements in Level 3 – Sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement results would be different if different valuation models or parameters are adopted. For financial instruments categorized as Level 3, if the valuation parameters changed, the impacts on other comprehensive income or loss are as follows:

	Input	Move up or down	Other comprehensive income	
			Favorable change	Unfavorable change
September 30, 2025				
Financial assets at fair value through other comprehensive income	Price-to-Book ratio multiples	5%	\$ <u>650</u>	<u>684</u>
	Lack-of-Marketability discount rate	5%	\$ <u>293</u>	<u>276</u>
December 31, 2024				
Financial assets at fair value through other comprehensive income	Price-to-Book ratio multiples	5%	\$ <u>1,001</u>	<u>1,000</u>
	Lack-of-Marketability discount rate	5%	\$ <u>425</u>	<u>425</u>
September 30, 2024				
Financial assets at fair value through other comprehensive income	Price-to-Book ratio multiples	5%	\$ <u>1,079</u>	<u>1,092</u>
	Lack-of-Marketability discount rate	5%	\$ <u>474</u>	<u>458</u>

The favorable and unfavorable changes represent the movements in fair value, which are determined based on various levels of unobservable inputs calculated by using a valuation technique. If there are more than one input used for measuring the fair value of financial instrument, the analysis above only reflects the effects of changes for a single input, and it does not consider the inter-relationships and variability with other inputs.

(vi) Offsetting financial assets and financial liabilities

The Group has financial instruments transactions applicable to the International Financial Reporting Standards No. 32 Sections 42 endorsed by the FSC which requested for offsetting. Financial assets and liabilities relating to those transactions are recognized in the net amount of the balance sheets.

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The Group did not have any aforementioned transactions as of September 30, 2025. The following tables present the aforesaid offsetting financial assets and financial liabilities as of December 31 and September 30, 2024.

Unit: In thousand dollars of TWD and USD

December 31, 2024			
Financial assets/liabilities that are offset which have an exercisable master netting arrangement or similar agreement			
	Gross amounts of recognized financial assets/liabilities (a)	Gross amounts of financial assets/liabilities offset in the balance sheet (b)	Net amount of financial assets/liabilities presented in the balance sheet (c)=(a)-(b)
Cash/short-term borrowings	\$ <u>401,961</u> (USD <u>12,283</u>)	<u>401,961</u> (USD <u>12,283</u>)	-

September 30, 2024			
Financial assets/liabilities that are offset which have an exercisable master netting arrangement or similar agreement			
	Gross amounts of recognized financial assets/liabilities (a)	Gross amounts of financial assets/liabilities offset in the balance sheet (b)	Net amount of financial assets/liabilities presented in the balance sheet (c)=(a)-(b)
Cash/short-term borrowings	\$ <u>814,940</u> (USD <u>25,716</u>)	<u>814,940</u> (USD <u>25,716</u>)	-

(y) Financial risk management

There were no significant changes in the Group's objectives and policies of financial risk management with those disclosed in note (6)(z) of the 2024 annual consolidated financial statements.

(z) Capital management

The Group's objectives, policies and processes of capital management were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. There were no significant changes in the quantified factors of the Group's capital management with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note (6)(aa) of the 2024 annual consolidated financial statements for further details.

(aa) Investing and financing activities not affecting cash flow

The Group's investing and financing activities which did not affect the cash flow for the nine months ended September 30, 2025 and 2024 were as follows:

(i) The acquisition of right-of-use assets by lease, please see note (6)(k).

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

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Other</u>	<u>Non-cash changes</u>	<u>September 30, 2025</u>
Short-term borrowings	\$ 1,181,255	(1,181,255)	-		-
Lease liabilities—current and non-current	40,295	(18,485)	(92)		21,718
Deposits received	34,440	(2,195)	-		32,245
Total liabilities from financing activities	<u>\$ 1,255,990</u>	<u>(1,201,935)</u>	<u>(92)</u>		<u>53,963</u>
	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Other</u>	<u>Non-cash changes</u>	<u>September 30, 2024</u>
Short-term borrowings	\$ 1,375,458	39,610	-		1,415,068
Lease liabilities—current and non-current	149,775	(36,709)	(71,291)		41,775
Long-term borrowings (including current portion)	476,060	(502,073)	26,013		-
Deposits received	38,381	(5,049)	86		33,418
Total liabilities from financing activities	<u>\$ 2,039,674</u>	<u>(504,221)</u>	<u>(45,192)</u>		<u>1,490,261</u>

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

Compal Electronics, Inc.(CEI) is both the parent company and the ultimate controlling party of the Group, holding 33% of the Company's outstanding ordinary shares. CEI has compiled the consolidated financial statements available for public use.

(b) Name and relationship with related parties

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

Name of related party	Relationship with the Group
Compal Electronics, Inc.	Parent company
Compal Electronics (Vietnam) Co., Ltd. ("CVC")	The ultimate parent company is the same
Kinpo Group Management Service Company	An associate of parent company
LIZ Electronics (Nantong) Co., Ltd.	"
LIZ Electronics (Kunshan) Co., Ltd.	"
AcBel Polytech Inc.	Substantial related party

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(c) Significant related party transactions

(i) Purchases of goods from related parties

The amounts of significant purchases from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Parent company	\$ 1,488,504	(123,766)	2,113,916	25,845
Other related parties	160,218	(36,191)	673,779	872,009
	\$ 1,648,722	(159,957)	2,787,695	897,854

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by third-party vendors. The payment terms were net 60 to 120 days from the end of the month of delivery.

(ii) Other expenditures

The Group engaged related parties to provide technical support, professional services and other services, and the related expenses for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Other related parties	\$ 305	274	915	834

(iii) Payables to related parties

The payables to related parties arising from the transactions mentioned above were as follows:

Account	Related party categories	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable	Parent company	\$ 1,466,108	37,350	1,905
Accounts payable	Other related			
	parties	170,234	166,150	17,407
		\$ 1,636,342	203,500	19,312

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(iv) Other receivables from related parties

The other receivables arising from selling raw materials were as follows:

Account	Related party categories	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables	Parent company	\$ 775,895	-	-

The Group sold raw materials to its parent company to meet the demand for processing. The related revenues and costs, which were not recognized as sales of raw materials and purchases of semi-finished goods, were eliminated in the consolidated financial statements.

(d) Transactions with key management personnel

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 38,481	32,188	107,957	101,260
Post-employment benefits	290	289	868	861
	<u>\$ 38,771</u>	<u>32,477</u>	<u>108,825</u>	<u>102,121</u>

(8) Pledged assets:

The carrying amount of the Group's pledged assets were as follows:

Assets	Purpose of Pledge	September 30, 2025	December 31, 2024	September 30, 2024
Pledged time deposits (recorded as other non-current assets)	Performance Guarantees	\$ 16,359	16,139	-

(9) Significant contingent liabilities and unrecognized commitments:

As of September 30, 2025, December 31 and September 30, 2024, the Group had entered into agreements for property and plant construction, with the contracted but not yet due for payments amounting to \$491,831, \$751,984 and \$899,384, respectively.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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(12) Other:

(a) The followings are the summary statement of employee benefits, depreciation and amortization expenses by function:

By function By item	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	237,196	618,999	856,195	173,521	500,671	674,192
Labor and health insurance	23,233	42,175	65,408	15,459	42,119	57,578
Pension	3,900	22,112	26,012	5,066	20,006	25,072
Others	16,164	22,170	38,334	15,122	17,557	32,679
Depreciation	134,161	39,488	173,649	128,833	44,104	172,937
Amortization	154	10,140	10,294	234	14,918	15,152

By function By item	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	691,584	1,723,186	2,414,770	552,763	1,533,352	2,086,115
Labor and health insurance	61,372	116,781	178,153	47,808	111,424	159,232
Pension	10,787	65,375	76,162	15,765	58,316	74,081
Others	52,171	65,216	117,387	58,319	52,818	111,137
Depreciation	402,780	124,940	527,720	456,745	132,339	589,084
Amortization	273	33,409	33,682	711	41,964	42,675

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclical factors.

(13) Other disclosure items:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2025:

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(i) Loans to other parties:

Unit: In thousand dollars of TWD/USD

No.	Name of lender	Name of borrower	Account	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Notes 2)	Note
													Item	Value			
0	The Company	Arcadyan do Brasil Ltda.	Other receivables	Yes	66,200 (USD2,000)	61,030 (USD2,000)	61,030 (USD2,000)	5.5%	2	-	Operating demand	-	-	-	3,223,134	6,446,268	The transactions had been eliminated in the consolidated financial statements.
0	"	"	"	Yes	91,770 (USD3,000)	91,545 (USD3,000)	-	4.6%	2	-	"	-	-	-	3,223,134	6,446,268	"
0	"	Arcadyan Turkey Technology and Trade Joint Stock Company	"	Yes	132,400 (USD4,000)	-	-	6%	2	-	"	-	-	-	3,223,134	6,446,268	"
0	"	Arcadyan Technology Limited	"	Yes	152,950 (USD5,000)	152,575 (USD5,000)	-	4.8%	1	1,525,750 (USD50,000)	-	-	-	-	1,220,600	6,446,268	"

Note 1: Number 1 represents the business relationship with the Company; number 2 represents the short-term financing facility, if necessary.

Note 2: According to the policy of the Company on Lending Funds to Other Parties, the total amount of loans to others shall not exceed 40% of the net worth of the Company. To borrowers having business relationship with the Company, the total amount of loans to the borrower shall not exceed 80% of the transaction amount in the latest fiscal year or the expected amount for the current year, and shall not exceed 20% of the net worth of the Company. Also, the amount shall be aggregated with the Company's endorsements/guarantees for the borrower upon calculation. When a short-term financing facility is deemed necessary, only the investees of the Company are permitted to borrow. The total amount of loans to the borrower shall not exceed 20% of the net worth of the Company, and it shall be aggregated with the Company's endorsements/guarantees for the borrower upon calculation. Inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans of fund to the Company made by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, shall not apply to the restriction in paragraph 1 and paragraph 3, but the aggregate total amount of loans to borrowing companies shall not exceed the net worth of the lending company.

Note 3: Except for the highest balance, all amounts have been translated into TWD using the exchange rate of USD@30.515 at the end of the reporting period.

(ii) Guarantees and endorsements for other parties:

Unit: In thousand dollars of TWD/USD

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Relationship with the Company (Note 2)	Name										
0	The Company	Arcadyan Technology Australia Pty Ltd	2	2,148,756	248,250 (USD7,500)	228,863 (USD7,500)	-	-	1.42 %	6,446,268	Y	N	N

Note 1: The total amount of endorsements/ guarantees the Company or the Group is permitted to provide shall not exceed 40% of the Company's net worth. The total amount of endorsements/ guarantees the Company or the Group is permitted to provide for a single company shall not exceed one-third (1/3) of the aforementioned amount of limitation.

Note 2: Relationships between endorsers/ guarantors and endorsees/ guarantees party are categorized into the following seven types:

- 1.Companies having business transactions with the Company.
- 2.Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
- 3.Companies that directly or indirectly hold more than 50% of the voting shares of the Company.
- 4.Transactions between companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- 5.Mutual guarantees between companies in the same industry of co-developers, as required by contractual obligations for construction projects.
- 6.Endorsements or guarantees provided by all shareholders in proportion to their shareholdings due to joint investment relationships.
- 7.Joint and several guarantees provided between companies in the same industry for performance obligations under pre-sale housing contracts in accordance with consumer protection laws.

(iii) Significant securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): None.

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

Unit: In thousand dollars of TWD

Name of company	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Accounts receivable (payable)		Note
			Purchases/ (Sales)	Amount	Percentage of total Purchases/ (Sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total Accounts Receivable (Payable)	
The Company	Arcadyan USA	Subsidiary	(Sales)	(16,194,906)	(45)%	Net 120 days from delivery	-	-	118,488	2 %	Note 2
"	Arcadyan AU	"	(Sales)	(1,089,865)	(3)%	Net 60 days from the end of the month of delivery	-	-	428,241	7 %	Note 2
"	Arcadyan Germany	"	(Sales)	(915,378)	(3)%	Net 150 days from delivery	-	-	343,820	6 %	Note 2
"	Arcadyan Vietnam	"	Purchases	7,590,113	13 %	Net 180 days from the end of the month of delivery	According to cost plus pricing	-	(312,972)	- %	Notes 1, 2
"	CEI	Parent company of the Company	Purchases	105,867	- %	Net 60 days from the end of the month of delivery	-	-	(18,712)	- %	-
Arcadyan Vietnam	The Company	Parent company	(Sales)	(7,590,113)	(100)%	Net 180 days from the end of the month of delivery	According to cost plus pricing	-	312,972	- %	Notes 1, 2
"	CEI	Parent company of the Company	Purchases	2,008,049	6 %	Net 60 days from the end of the month of delivery	-	-	(1,447,396)	(1)%	-
"	CVC	The ultimate parent company is the same	Purchases	653,092	2 %	Net 60 days from the end of the month of delivery	-	-	(157,382)	(1)%	-
Arcadyan USA	The Company	Parent company	Purchases	16,194,906	100 %	Net 120 days from delivery	-	-	(118,488)	(100)%	Note 2
Arcadyan AU	The Company	Parent company	Purchases	1,089,865	100 %	Net 60 days from the end of the month of delivery	-	-	(428,241)	(100)%	Note 2
Arcadyan Germany	The Company	Parent company	Purchases	915,378	100 %	Net 150 days from delivery	-	-	(343,820)	(100)%	Note 2

Note 1: The ending balances were derived from the net transactions on processing and sales of raw materials.

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

(v) Receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

Unit: In thousand dollars of TWD

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 4)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Arcadyan Germany	Subsidiary	343,820	4.89	-		75,502	-	Note 5
"	Arcadyan AU	"	428,241	5.73	-		124,161	-	Note 5
"	Arcadyan USA	"	118,488	301.34	-		118,488	-	Note 5
"	CEI	Parent company of the Company	775,895 (Note 2)	(Note 2)	-		-	-	-
CNC	The Company	Parent company	176,589 (Note 3)	(Note 3)	-		-	-	Note 5
Arcadyan Vietnam	The Company	"	312,972 (Note 1)	(Note 1)	-		312,972	-	Note 5

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 1: The ending balance was other receivables arising from contract processing services.

Note 2: The ending balance was other receivables arising from sale of raw materials.

Note 3: The ending balance was other receivables arising from supply chain support services.

Note 4: Information as of October 22, 2025.

Note 5: The transactions had been eliminated in the consolidated financial statements.

(vi) Business relationships between the parent company and subsidiaries and significant intercompany transactions:

Unit: In thousands dollars of TWD

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	Arcadyan Germany	1	Operating revenues	915,378	There is no significant difference of price with non-related customers. The credit period is net 150 days from delivery.	2.29 %
"	"	"	1	Accounts receivable	343,820	"	0.76 %
"	"	Arcadyan USA	1	Operating revenues	16,194,906	There is no significant difference of price with non-related customers. The credit period is net 120 days from delivery.	40.51 %
"	"	"	1	Accounts receivable	118,488	"	0.26 %
"	"	Arcadyan AU	1	Operating revenues	1,089,865	There is no significant difference of price with non-related customers. The credit period is net 60 days from the end of the month of delivery.	2.73 %
"	"	"	1	Accounts receivable	428,241	"	0.95 %
1	Arcadyan Vietnam	The Company	2	Processing revenue	7,590,113	The price is based on the cost-plus markup. The credit period is net 180 days from the end of the month of delivery and may adjust depending on funding needs.	18.99 %
"	"	"	2	Accounts receivable	312,972	"	0.69 %

Note 1: The numbers filled in as follows:

1.0 represents the parent company.

2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

1 represents transactions between the parent company to its subsidiaries.

2 represents transactions between the subsidiaries to the parent company.

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Unit: In thousand dollars of TWD and USD and thousand shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending Balance as of September 30, 2025			Net Income (Losses) of the Investee	Share of Income (losses) of the Investee	Note
				September 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	Arcadyan Holding	British Virgin Islands	Investment activities	1,701,027	1,701,027	47,780	100%	2,288,436	(842,843)	(842,843)	Notes 2, 4
The Company	Arcadyan USA	USA	Selling and technical support of wireless networking products	23,055	23,055	1	100%	185,695	31,610	31,610	"
The Company	Arcadyan Germany	Germany	Selling and technical support of wireless networking products	1,125	1,125	0.5	100%	118,326	10,706	10,706	"
The Company	Arcadyan Korea	Korea	Selling of wireless networking products	2,879	2,879	20	100%	31,939	(3,403)	(3,403)	"
The Company and ZHI-BAO	Arcadyan Brasil	Brazil	Selling of wireless networking products	81,593	81,593	968	100%	(52,714)	4,033	4,033	"
The Company and ZHI-BAO	ZHI-BAO	Hsinchu City	Investment activities	48,000	48,000	34,980	100%	291,166	(19,148)	(19,148)	"
The Company	TTI	Taipei City	Research and development, and selling digital home appliance	308,726	308,726	25,028	61%	136,251	(11,113)	(6,784)	"
The Company	Arcadyan UK	United Kingdom	Selling and technical support of wireless networking products	1,988	1,988	50	100%	6,577	339	339	"
The Company	Arcadyan AU	Australia	Selling of wireless networking products	1,161	1,161	50	100%	95,362	13,022	13,022	"
The Company	Arcadyan RU	Russia	Selling of wireless networking products	7,672	7,672	-	100%	379	(605)	(605)	"
The Company and ZHI-BAO	CBN	Hsinchu County	Manufacturing and selling of broadband network products	48,197	48,197	13,673	19.86%	182,333	(65,957)	(15,021)	Note 3
The Company and ZHI-BAO	Arcadyan India	India	Selling of wireless networking products	76,952	76,952	19,800	100%	81,336	137,284	137,284	Notes 2, 4
The Company	Arcadyan Turkey	Turkey	Selling of wireless networking products	61,268	61,268	6,200	100%	52,026	5,074	5,074	Notes 2, 4, 5
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment activities	886,461 (USD29,050)	886,461 (USD29,050)	29,050	100%	1,937,458 (USD63,492)	85,330 (USD2,733)	Investment gain/(losses) recognized by Arcadyan Holding	Notes 2, 4
"	Arch Holding	British Virgin Islands	Investment activities	30,851 (USD1,011)	336,001 (USD11,011)	1	100%	166,459 (USD5,455)	(127,011) (USD4,068)	"	Notes 2, 4, 6
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless networking products	884,935 (USD29,000)	884,935 (USD29,000)	-	100%	1,932,851 (USD63,341)	85,330 (USD2,733)	Investment gain/(losses) recognized by Sinoprime	Notes 2, 4
TTI	Quest	Samoa	Investment activities	36,618 (USD1,200)	36,618 (USD1,200)	1,200	100%	7,871	(809)	Investment gain/(losses) recognized by TTI	"
Quest	Exquisite	Samoa	Investment activities	35,703 (USD1,170)	35,703 (USD1,170)	1,170	100%	7,018 (USD230)	(812) (USD26)	Investment gain/(losses) recognized by Quest	"

Note 1: The amounts in New Taiwan Dollars were translated at the exchange rate of USD@31.222 based on the average exchange rate for net income (losses) of the investees, others were translated at the exchange rate of USD@30.515 based on the reporting date.

Note 2: The Group has owner control.

Note 3: The Group has significant influence.

Note 4: The transactions had been eliminated in the consolidated financial statements.

Note 5: The subsidiary was incorporated on May 2, 2024.

Note 6: On July 28, 2025, the Company's subsidiary, Arch Holding, completed a capital reduction and returned capital in the amount of USD 10,000 thousand to Arcadyan Holding.

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
SVA	Research and development, and sale of wireless networking products	247,172 (USD8,100)	Note 1	(Note 4) 409,511 (USD13,420)	-	-	409,511 (USD13,420)	4,215 (USD135)	100%	4,215 (USD135)	51,906 (USD1,701)	-	Note 3
CNC	Manufacturing of wireless networking products	74,762 (USD2,450)	Notes 1, 6	(Note 5) 336,001 (USD11,011)	-	-	336,001 (USD11,011)	(128,229) (USD4,107)	100%	(128,229) (USD4,107)	325,595 (USD10,670)	-	"
TCH	Manufacturing of digital home appliance products	369,384 (USD12,105)	Notes 1, 7 and 8	35,092 (USD1,150)	-	-	35,092 (USD1,150)	(2,467) (USD79)	100%	(2,467) (USD79)	19,652 (USD644)	-	"

Note 1: Investment in Mainland China through companies registered in a third region.

Note 2: The amounts in New Taiwan Dollars were translated at the exchange rate of USD@31.222 based on the average exchange rate for net income (losses) of the investees, others were translated at the exchange rate of USD@30.515 based on the reporting date.

Note 3: Investment gains and losses were recognized in accordance with self-prepared financial statements, which have not been reviewed by CPA.

Note 4: The Company paid US\$18,420 thousands and acquired 100% shares of SVA from Accton Asia through Arcadyan Holding in 2010.

Note 5: The Company paid US\$8,561 thousands and acquired 100% shares of CNC from Just through Arcadyan Holding in 2007.

Note 6: The Company's subsidiary, CNC, conducted a capital reduction and returned share capital in the amount of USD10,000 thousands. The funds were remitted to the offshore subsidiary and have not yet been repatriated to Taiwan.

Note 7: The Company's subsidiary, TTI, obtained control over TCH for USD1,150 thousands on February 28, 2013 (base date of stock transferring).

Note 8: The Company's subsidiary, TTI, increased the capital of TCH by converting its accounts receivable amounting to USD8,755 thousands on August 16, 2023.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in Mainland China by Investment Commission, MOEA
780,604 (USD25,581)	1,047,763 (USD34,336)	9,669,402

Note : The amounts in TWD were translated at the exchange rate of USD@30.515 at the reporting date.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China for the nine months ended September 30, 2025, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Receivables from related parties with amounts exceeding the lower of TWD 100 million or 20% of the capital stock".

(14) Segment information:

The Group operates a single operating segment - the networking product segment, which is primarily engaged in the research, development, manufacture and sale of wireless LAN products, integrated digital and mobile multimedia products, wireless audio-visual products, and digital set-top box products. The operating segment information of the Group is consistent with the information in the consolidated financial statements. For the segment profit or loss, please refer to the consolidated statement of comprehensive income.