Arizon RFID Technology (Cayman) Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Arizon RFID Technology (Cayman) Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Arizon RFID Technology (Cayman) Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 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.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months then ended 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 Shu-Wan Lin and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 2026

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 2,521,706	26	$ 2,609,009	28	$ 2,565,599	28
Financial assets at amortized cost - current (Note 8)	138,719	1	134,148	2	1,617,432	17
Notes and accounts receivable (Notes 9 and 18)	1,180,763	12	1,039,917	11	1,344,201	14
Accounts receivable from related parties (Notes 18 and 25)	68	-	61	-	1,150	-
Inventories (Note 10)	1,125,117	12	1,036,515	11	989,046	11
Other current assets (Note 25)	129,701	1	110,177	1	177,359	2
Total current assets	5,096,074	52	4,929,827	53	6,694,787	72
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 24)	-	-	-	-	600	-
Financial assets at amortized cost - non-current (Note 8)	1,942,062	20	1,699,209	18	231,291	2
Property, plant and equipment (Note 12)	2,195,881	22	2,179,966	24	1,864,977	20
Right-of-use assets (Note 13)	274,741	3	277,472	3	246,913	3
Deferred tax assets	7,826	-	8,944	-	21,159	-
Other non-current assets	247,553	3	156,307	2	238,407	3
Total non-current assets	4,668,063	48	4,321,898	47	2,603,347	28
TOTAL	$ 9,764,137	100	$ 9,251,725	100	$ 9,298,134	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 14)	$ 1,475,885	15	$ 1,393,927	15	$ 800,000	9
Contract liabilities - current (Note 18)	29,429	-	22,332	-	27,213	-
Notes and accounts payable	681,274	7	465,863	5	516,326	6
Accounts payable to related parties (Note 25)	3,922	-	646	-	525	-
Other payables	234,087	3	274,225	3	278,709	3
Other payables to related parties (Note 25)	230	-	251	-	857	-
Current tax liabilities	17,084	-	14,794	-	33,570	-
Lease liabilities - current (Note 13)	24,515	-	23,977	1	12,429	-
Other current liabilities (Note 25)	8,337	-	10,194	-	4,306	-
Total current liabilities	2,474,763	25	2,206,209	24	1,673,935	18
NON-CURRENT LIABILITIES						
Bonds payable (Note 15)	964,996	10	959,431	10	942,929	10
Deferred tax liabilities	34,910	-	25,684	-	51,625	1
Lease liabilities - non-current (Note 13)	61,521	1	66,861	1	25,738	-
Other non-current liabilities	46,599	1	45,070	1	46,846	-
Total non-current liabilities	1,108,026	12	1,097,046	12	1,067,138	11
Total liabilities	3,582,789	37	3,303,255	36	2,741,073	29
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 17)						
Share capital						
Ordinary shares	748,880	8	748,880	8	748,880	8
Capital surplus	4,281,081	44	4,277,367	46	4,272,805	46
Retained earnings						
Legal reserve	159,682	2	159,682	2	75,001	1
Special reserve	-	-	-	-	202,897	2
Unappropriated earnings	925,963	9	880,056	9	1,137,712	12
Other equity	64,594	-	(118,595)	(1)	118,638	2
Total equity attributable to owners of the Company	6,180,200	63	5,947,390	64	6,555,933	71
NON-CONTROLLING INTERESTS	1,148	-	1,080	-	1,128	-
Total equity	6,181,348	63	5,948,470	64	6,557,061	71
TOTAL	$ 9,764,137	100	$ 9,251,725	100	$ 9,298,134	100

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

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
NET SALES (Notes 18 and 25)	$ 1,157,370	100	$ 1,145,111	100
OPERATING COST (Notes 10, 19 and 25)	(933,757)	(81)	(807,328)	(71)
GROSS PROFIT	223,613	19	337,783	29
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing	(34,003)	(3)	(29,445)	(3)
General and administrative	(89,619)	(8)	(73,542)	(6)
Research and development	(31,575)	(2)	(47,173)	(4)
Total operating expenses	(155,197)	(13)	(150,160)	(13)
PROFIT FROM OPERATIONS	68,416	6	187,623	16
NON-OPERATING INCOME AND EXPENSES				
Finance costs	(15,795)	(1)	(10,185)	(1)
Interest income	19,860	2	36,315	3
Other income	1,780	-	6,400	1
Gain (loss) on disposal of property, plant and equipment	16	-	(134)	-
Loss on financial assets at FVTPL	-	-	(700)	-
Other expenses	(454)	-	(2,047)	-
Foreign exchange gain (Note 26)	7,073	-	13,527	1
Total non-operating income and expenses	12,480	1	43,176	4
PROFIT BEFORE INCOME TAX	80,896	7	230,799	20
INCOME TAX EXPENSE (Notes 5 and 20)	(34,956)	(3)	(41,878)	(4)
NET PROFIT FOR THE PERIOD	45,940	4	188,921	16
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	183,224	16	76,726	7
Other comprehensive income for the period, net of income tax	183,224	16	76,726	7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 229,164	20	$ 265,647	23

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ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 45,907	4	$ 188,884	16
Non-controlling interests	33	-	37	-
	$ 45,940	4	$ 188,921	16
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 229,096	20	$ 265,595	23
Non-controlling interests	68	-	52	-
	$ 229,164	20	$ 265,647	23
EARNINGS PER SHARE (Note 21)				
Basic	$ 0.61		$ 2.52	
Diluted	$ 0.61		$ 2.51	

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

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attribute to Owners of the Company (Note 17)										
	Share Capital			Retained Earnings				Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropri-ated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2025	74,888	$ 748,880	$ 4,272,805	$ 75,001	$ 202,897	$ 948,828	$ 1,226,726	$ 41,927	$ 6,290,338	$ 1,076	$ 6,291,414
Net profit for the three months ended March 31, 2025	-	-	-	-	-	188,884	188,884	-	188,884	37	188,921
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	-	76,711	76,711	15	76,726
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	188,884	188,884	76,711	265,595	52	265,647
BALANCE ON MARCH 31, 2025	74,888	$ 748,880	$ 4,272,805	$ 75,001	$ 202,897	$ 1,137,712	$ 1,415,610	$ 118,638	$ 6,555,933	$ 1,128	$ 6,557,061
BALANCE ON JANUARY 1, 2026	74,888	$ 748,880	$ 4,277,367	$ 159,682	$ -	$ 880,056	$ 1,039,738	$ (118,595)	$ 5,947,390	$ 1,080	$ 5,948,470
Share-based compensation expenses (Note 20)	-	-	3,714	-	-	-	-	-	3,714	-	3,714
Net profit for the three months ended March 31, 2026	-	-	-	-	-	45,907	45,907	-	45,907	33	45,940
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	183,189	183,189	35	183,224
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	45,907	45,907	183,189	229,096	68	229,164
BALANCE ON MARCH 31, 2026	74,888	$ 748,880	$ 4,281,081	$ 159,682	$ -	$ 925,963	$ 1,085,645	$ 64,594	$ 6,180,200	$ 1,148	$ 6,181,348

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

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 80,896	$ 230,799
Adjustments for:		
Depreciation expenses	87,076	70,679
Amortization expenses	471	484
Net loss on fair value changes of financial assets at FVTPL	-	700
Finance costs	15,795	10,185
Interest income	(19,860)	(36,315)
Share-based compensation expenses	3,714	-
(Gain) loss on disposal of property, plant and equipment	(16)	134
Write-downs of inventories (reversed) recognized	(8,735)	2,574
Unrealized loss (gain) on foreign currency exchange	1,335	(37)
Changes in operating assets and liabilities		
Notes and accounts receivable	(113,729)	130,359
Accounts receivable from related parties	(7)	(1,126)
Inventories	(50,753)	79,791
Other current assets	(52,839)	24,701
Contract liabilities	6,236	366
Notes and accounts payable	197,181	(72,934)
Accounts payable to related parties	3,276	(242)
Other payables	17,643	(100,287)
Other payables to related parties	(21)	461
Other current liabilities	(2,097)	(3,368)
Cash generated from operations	165,566	336,924
Interest received	56,433	44,925
Interest paid	(4,640)	(4,507)
Income tax paid	(23,579)	(29,288)
Net cash generated from operating activities	193,780	348,054
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets at amortized cost	(212,740)	-
Decrease in financial assets at amortized cost	-	24,120
Payments for property, plant and equipment	(116,879)	(90,289)
Proceeds from disposal of property, plant and equipment	2,182	1,769
Increase in other non-current assets	(87,585)	(105,351)
Net cash used in investing activities	(415,022)	(169,751)

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ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	$ 73,802	$ -
Decrease in other non-current liabilities	(7)	(4)
Repayment of the principal portion of lease liabilities	(5,902)	(3,117)
Net cash generated from (used in) financing activities	67,893	(3,121)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	66,046	5,998
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(87,303)	181,180
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,609,009	2,384,419
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,521,706	$ 2,565,599

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

1. GENERAL INFORMATION

Arizon RFID Technology (Cayman) Co., Ltd. (the "Company"), was established on October 21, 2021 in the Cayman Islands under reorganization mainly for the purpose of applying for listing on Taiwan Stock Exchange ("TWSE"). The Company and its subsidiaries' (collectively referred to as the "Group") are mainly engaged in the design, development, manufacture and trading of radio-frequency identification (RFID) system.

The Company's ultimate parent company is YFY Inc., and the Company's parent company is YFY Global Investment B.V., which held 61.02% of the Company's shares as of March 31, 2026 and 2025, respectively.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since March 21, 2023.

The Company has shifted its financing activities to primarily use New Taiwan Dollars (NTD). In consideration of improving the efficiency of financing management and in response to changes in economic conditions, the board of directors resolved on November 8, 2024 to change the Company's functional currency from Renminbi (RMB) to New Taiwan Dollars (NTD). In accordance with International Accounting Standard (IAS) 21, this change has been applied prospectively starting from October 1, 2024.

The consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 5, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the amendments to IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Tables 7 and 8 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Other significant accounting policies

Except for other accounting policies listed below, refer to the consolidated financial statements for the year ended December 31, 2025.

<u>Taxation</u>

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the material accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 85	$ 77	$ 103
Checking accounts and demand deposits	1,818,062	1,486,396	1,192,392
Cash equivalents (time deposits with original maturities of three months or less)	703,559	1,122,536	1,373,104
	$ 2,521,706	$ 2,609,009	$ 2,565,599

The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Cash equivalents	0.63%-3.38%	0.34%-3.73%	1.35%-4.32%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Redemption option on convertible bonds (Note 15)	$ -	$ -	$ 600

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Time deposits with original maturities between three months and 1 year	$ -	$ -	$ 507,237
Time deposits with original maturities of more than 1 year	138,719	134,148	1,110,195
	$ 138,719	$ 134,148	$ 1,617,432
Non-current			
Time deposits with original maturities of more than 1 year	$ 1,942,062	$ 1,699,209	$ 231,291

As of March 31, 2025, the interest rates for time deposits with original maturity between three months and one year was 1.35%-4.1%.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the interest rates for time deposits with original maturity of more than one year were 1.75%-3.00%, 1.75%-3.00 % and 2.15%-3.35%, respectively.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 15,861	$ 1,341	$ 6,182
Accounts receivable	1,164,913	1,038,587	1,338,031
Less: Allowance for impairment loss	(11)	(11)	(12)
	$ 1,180,763	$ 1,039,917	$ 1,344,201

The average credit period of sales of goods was 30-90 days The Group established department to manage receivables and related regulations for credit checking and quota management in order to ensure the Company's benefits.

The Group applies the simplified approach for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2026

	Not Past Due	Up to 90 Days	91 Days to 180 Days	Over 181 Days	Total
Expected credit loss rate	0.001%	-	-	-	
Gross carrying amount	$ 1,101,726	$ 77,432	$ 1,153	$ 463	$ 1,180,774
Loss allowance (Lifetime ECLs)	(11)	-	-	-	(11)
Amortized cost	$ 1,101,715	$ 77,432	$ 1,153	$ 463	$ 1,180,763

December 31, 2025

	Not Past Due	Up to 90 Days	91 Days to 180 Days	Over 181 Days	Total
Expected credit loss rate	0.001%	-	-	-	
Gross carrying amount	$ 995,654	$ 40,158	$ 1,711	$ 2,405	$ 1,039,928
Loss allowance (Lifetime ECLs)	(11)	-	-	-	(11)
Amortized cost	$ 995,643	$ 40,158	$ 1,711	$ 2,405	$ 1,039,917

March 31, 2025

	Not Past Due	Up to 90 Days	91 Days to 180 Days	Total
Expected credit loss rate	0.001%	-	-	
Gross carrying amount	$ 1,136,917	$ 205,626	$ 1,670	$ 1,344,213
Loss allowance (Lifetime ECLs)	(12)	-	-	(12)
Amortized cost	$ 1,136,905	$ 205,626	$ 1,670	$ 1,344,201

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1 and March 31	$ 11	$ 12

10. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 699,360	$ 507,604	$ 597,829
Work in process	115,706	125,847	80,835
Materials	310,051	403,064	310,382
	$ 1,125,117	$ 1,036,515	$ 989,046

The cost of goods sold for the three months ended March 31, 2026 and 2025 included reversal of inventory write-downs of $8,735 thousand and inventory write-downs of $2,574 thousand, respectively. The reversal of net realizable value of inventories was due to the gradual disposal of inventories for which write-down losses had previously been recognized.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			% of Ownership		
Investor	Investee	Main Business	March 31, 2026	December 31, 2025	March 31, 2025
The Company	YFY RFID Co., Limited	Investment holding	100.00	100.00	100.00
	ARIZON CORPORATION	Product distribution and technical consulting services	100.00	100.00	100.00
	ARIZON TECHNOLOGY (VIETNAM)	Manufacture and sale of RFID (radio frequency identification) products	100.00	100.00	100.00
YFY RFID Co., Limited	Arizon RFID Technology Co., Ltd.	Design, development, manufacture, sale and packaging of RFID (radio frequency identification) products	99.98	99.98	99.98
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.00	100.00	100.00
	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.00	100.00	100.00

The financial statements of subsidiaries included in the consolidated financial statements are based on the reviewed amounts.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Transportation Equipment	Miscellaneous Equipment	Property in Construction	Total
Cost						
Balance on January 1, 2026	$ 643,306	$ 2,912,819	$ 8,037	$ 200,516	$ 329,007	$ 4,093,685
Additions	1,947	1,995	-	1,596	41,982	47,520
Disposals	-	(3,800)	-	(99)	-	(3,899)
Effect of foreign currency exchange differences	21,934	77,974	255	2,047	5,848	108,058
Reclassification	1,421	4,395	-	422	(6,238)	-
Balance on March 31, 2026	$ 668,608	$ 2,993,383	$ 8,292	$ 204,482	$ 370,599	$ 4,245,364
Accumulated depreciation						
Balance on January 1, 2026	$ 235,501	$ 1,602,366	$ 3,768	$ 72,084	$ -	$ 1,913,719
Depreciation expenses	8,296	65,022	296	6,194	-	79,808
Disposals	-	(1,640)	-	(93)	-	(1,733)
Effect of foreign currency exchange differences	8,155	48,791	131	612	-	57,689
Balance on March 31, 2026	$ 251,952	$ 1,714,539	$ 4,195	$ 78,797	$ -	$ 2,049,483
Carrying amounts on January 1, 2026	$ 407,805	$ 1,310,453	$ 4,269	$ 128,432	$ 329,007	$ 2,179,966
Carrying amounts on March 31, 2026	$ 416,656	$ 1,278,844	$ 4,097	$ 125,685	$ 370,599	$ 2,195,881
Cost						
Balance on January 1, 2025	$ 654,090	$ 2,390,856	$ 7,136	$ 181,427	$ 206,333	$ 3,439,842
Additions	-	4,605	-	841	137,061	142,507
Disposals	-	(4,631)	-	(16)	-	(4,647)
Effect of foreign currency exchange differences	9,321	28,534	102	616	2,349	40,922
Reclassification	-	123,470	-	-	(123,470)	-
Balance on March 31, 2025	$ 663,411	$ 2,542,834	$ 7,238	$ 182,868	$ 222,273	$ 3,618,624
Accumulated depreciation						
Balance on January 1, 2025	$ 207,526	$ 1,407,491	$ 2,817	$ 50,424	$ -	$ 1,668,258
Depreciation expenses	8,194	52,362	245	5,547	-	66,348
Disposals	-	(2,734)	-	(10)	-	(2,744)
Effect of foreign currency exchange differences	3,033	18,511	42	199	-	21,785
Balance on March 31, 2025	$ 218,753	$ 1,475,630	$ 3,104	$ 56,160	$ -	$ 1,753,647
Carrying amounts on March 31, 2025	$ 444,658	$ 1,067,204	$ 4,134	$ 126,708	$ 222,273	$ 1,864,977

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	5-20 years
Machinery	5-10 years
Transportation equipment	5 years
Miscellaneous equipment	3-10 years

13. LEASE AGREEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 193,386	$ 190,972	$ 212,181
Buildings	81,188	86,306	34,458
Others	167	194	274
	$ 274,741	$ 277,472	$ 246,913

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ -	$ 80
Depreciation charge for right-of-use assets		
Land	$ 1,072	$ 1,316
Buildings	6,169	2,920
Others	27	95
	$ 7,268	$ 4,331

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Current	$ 24,515	$ 23,977	$ 12,429
Non-current	$ 61,521	$ 66,861	$ 25,738

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.45%-2.28%	1.45%-2.28%	1.45%-2.28%
Others	1.52%-2.525%	1.45%-4.6%	1.52%-4.6%

c. Material lease-in activities and terms

The Group leases certain equipment and office for the use of operating activities with lease terms of 2 to 5 years. These arrangements do not contain renewal or purchase options at the end of the lease terms.

The lease contract for land located in mainland China and Vietnam specifies that land are mainly used as plants, and lease payments will be made at the beginning of the contract with lease terms of 50 and 47 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings and equipment at the end of the lease terms.

d. Other lease information

	For the Three Months Ended March 31	
	2026	**2025**
Expenses relating to short-term leases and low-value asset leases	$ 4,143	$ 3,649
Total cash outflow for leases	$ 11,906	$ 7,017

14. SHORT-TERM BORROWINGS

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Bank credit loans	$ 1,475,885	$ 1,393,927	$ 800,000

As of March 31, 2026, December 31, 2025 and March 31, 2025, the interest rate of short-term borrowings were 2.05%-4.8%, 2.05%-4.8% and 2.15%-2.36% per annum, respectively.

15. BONDS PAYABLE

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Unsecured domestic convertible bonds	$ 964,996	$ 959,431	$ 942,929

On August 7, 2024, the Company’s board of directors resolved to issue domestic unsecured convertible bonds for the first time, which were subsequently issued on October 15, 2024, the issuance period is 3 years, with total issued amount $1,000,000 thousand, with a 0% coupon rate, the total amount for subscription was $1,114,566 thousand.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $294.9. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. The bonds will be held on the next day after the expiration of 3 months (January 16, 2025) until the maturity date (October 15, 2027), holders may convert their bonds into the Company’s ordinary shares.

If the convertible bonds are not converted between January 16, 2025 and September 5, 2027, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive trading days, the Company may send a copy of "Debt Rebate Notice" with expiration of one month by registered mail within the next 30 trading days. The aforementioned period is calculated from the delivery of mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Company have to redeem the bonds at their par value in cash within 5 trading days following the base date.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - share options. The effective interest rate of the liability component was 2.32% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $7,307 thousand)	$ 1,107,259
Equity component (less transaction costs allocated to the equity component of $1,161 thousand)	(176,205)
Liability component at the date of issue (bonds payable of $932,954 thousand and financial assets at fair value through profit or loss - non-current of $1,900 thousand)	931,054
Interest charged at an effective interest rate of 2.32%	4,537
Net loss of financial assets at fair value through profit or loss	600
Liability component at January 1, 2025 (bonds payable of $937,491 thousand and financial assets at fair value through profit or loss - non-current of $1,300 thousand)	936,191
Interest charged at an effective interest rate of 2.32%	5,438
Net loss of financial assets at fair value through profit or loss	700
Liability component at March 31, 2025 (bonds payable of $942,929 thousand and financial assets at fair value through profit or loss - non-current of $600 thousand)	$ 942,329
Liability component at January 1, 2026 (bonds payable of $959,431 thousand and financial assets at fair value through profit or loss - non-current of $0 thousand)	$ 959,431
Interest charged at an effective interest rate of 2.32%	5,565
Liability component at March 31, 2026 (bonds payable of $964,996 thousand and financial assets at fair value through profit or loss - non-current of $0 thousand)	$ 964,996

16. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

Arizon RFID Technology (Hong Kong) Co., Ltd., Taiwan Branch adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of Arizon RFID Technology Co., Ltd., Arizon JAPAN Co., Ltd. and ARIZON TECHNOLOGY (VIETNAM) of the Group are members of a state-managed retirement benefit plan operated by their local governments. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

17. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	100,000	100,000	100,000
Shares authorized ($10 per share)	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued (in thousands)	74,888	74,888	74,888
Shares issued	$ 748,880	$ 748,880	$ 748,880

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Share premium	$ 4,096,537	$ 4,096,537	$ 4,096,537
Share options	176,205	176,205	176,205
Employee share options	8,146	4,432	-
Proceeds from claim for the disgorgement of profit	193	193	63
	$ 4,281,081	$ 4,277,367	$ 4,272,805

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for distribution of dividends and bonuses to shareholders.

As the Company is in the growing stage, the distribution of dividend may be in cash or in shares to shareholders, as well as the Company shall take the Company’s capital expenditures, future expansion plans, and financial structure, funds requirement and other plans for sustainable development into consideration on the dividend the Company wish to distribute based on the Company’s dividends policy. Every year, no less than 30% of the available profit shall be distributed as shareholder dividends. The distribution of dividends may be in cash or in shares, of which the cash dividends should be no less than 20%. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 19(c).

The legal reserve may be used to offset deficit. If the Company has no deficit, all or a portion of its legal reserve, or the capital surplus which arises out of the share premium to the Company may be transferred to capital, issue new shares or distribute to the Members in cash, by a resolution adopted by a majority of the shareholders who represent two-thirds or more of the total number of shareholders in a shareholders’ meeting.

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", should be appropriated to or reversed from a special reserve by the Company. When the deduction balance of other shareholders' equity is reversed, the surplus may be distributed thereafter.

The appropriations of earnings for 2024, which were proposed by the Company's board of directors on May 27, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	$ 84,681
Reversal of special reserve	$ (202,897)
Cash dividends	$ 411,884
Cash dividends per share (NT$)	$ 5.5

The appropriations of earnings for 2025, which were proposed by the Company's board of directors on February 25, 2026, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	$ 22,490
Reversal of special reserve	$ 118,595
Cash dividends	$ 112,332
Cash dividends per share (NT$)	$ 1.5

The appropriation of earnings for 2025, will be approved by the shareholders in their meeting to be held on May 27, 2026. Information about the appropriations of earnings is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	$ 1,080	$ 1,076
Attributable to non-controlling interests:		
Share of profit for the period	33	37
Other comprehensive income during the year	35	15
Balance on March 31	$ 1,148	$ 1,128

18. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers - sale of goods	$ 1,155,192	$ 1,141,049
Other income	2,178	4,062
	$ 1,157,370	$ 1,145,111

Contract Balances

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable and accounts receivable	$ 1,180,763	$ 1,039,917	$ 1,344,201
Receivables from related parties	68	61	1,150
	$ 1,180,831	$ 1,039,978	$ 1,345,351
Contract liabilities - current	$ 29,429	$ 22,332	$ 27,213

The amount of contract liabilities from the beginning of the year recognized as income in the current period is as follows:

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers - sale of goods	$ 3,556	$ 6,437

For information about notes receivable and accounts receivable, refer to Note 9. The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

19. NET PROFIT

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Property, plant and equipment	$ 79,808	$ 66,348
Right-of-use assets	7,268	4,331
Intangible asset (under other non-current assets)	471	484
	$ 87,547	$ 71,163

(Continued)

	For the Three Months Ended March 31	
	2026	2025
An analysis of depreciation by function		
Operating costs	$ 74,847	$ 53,501
Operating expenses	12,229	17,178
	$ 87,076	$ 70,679
An analysis of amortization by function		
Operating costs	$ 112	$ 110
Operating expenses	359	374
	$ 471	$ 484

(Concluded)

b. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 175,833	$ 161,151
Post-employment benefits		
Defined contribution plans	9,948	10,659
Share-based payment	3,714	-
	$ 189,495	$ 171,810
An analysis of employee benefit expense by function		
Operating costs	$ 110,326	$ 93,573
Operating expenses	79,169	78,237
	$ 189,495	$ 171,810

As of March 31, 2026 and 2025, the Group had 1,017 and 846 employees with 4 directors that were not adjunct employees, respectively. The calculation basis is consistent with the employee benefits.

c. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees (including non-executive employees), and remuneration of directors. The compensation of employees and remuneration of directors for the three months ended March 31, 2026 and 2025, respectively were as follows:

	For the Three Months Ended March 31	
	2026	2025
Amount		
Compensation of employees	$ 475	$ 1,910
Remuneration of directors	951	236

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which was approved by the Company's board of directors on February 25, 2026 and March 11, 2025, were as follows:

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	$ 2,337	$ 8,695
Remuneration of directors	4,606	13,500

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

Which was approved by the Company's board of directors on February 25, 2026 and March 11, 2025, there was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended 2025 and 2024.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

20. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax	$ 34,956	$ 41,878
Income tax expense recognized in profit or loss	$ 34,956	$ 41,878

The applicable tax rate of 15% for designated high and new technology enterprises is used by Arizon RFID Technology Co., Ltd., the Group's subsidiary in China. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax assessments

The tax filings of Arizon RFID Technology (Hong Kong) Co., Ltd., Taiwan Branch through 2024 have been approved by the tax authorities.

c. Pillar Two income tax legislation

The Government of Hong Kong, where Arizon RFID Technology (Hong Kong) Co., Ltd. and the Government of Vietnam, where ARIZON TECHNOLOGY (VIETNAM), are incorporated, enacted the Pillar Two income tax legislation effective.

As of March 31, 2026, the above situation has no significant impact on the Group's current income tax. The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

21. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2026	2025
Basic earnings per share (NT$)	$ 0.61	$ 2.52
Diluted earnings per share (NT$)	$ 0.61	$ 2.51

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

Net profit for the period:

	For the Three Months Ended March 31	
	2026	2025
Profit for the period attributable to owners of the Company	$ 45,907	$ 188,884
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	-	5,438
	$ 45,907	$ 194,322

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	74,888	74,888
Effect of potentially dilutive ordinary shares:		
Compensation of employees	17	36
Convertible bonds	-	2,466
Weighted average number of ordinary shares used in the computation of diluted earnings per share	74,905	77,390

The Company may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

If the outstanding convertible bonds issued by the Company are converted to ordinary shares during March 31, 2026 and the exercise price of the options issued by the Company exceeded the average market price of the shares during for the three months ended March 31, 2026, they are anti-dilutive and excluded from the computation of diluted earnings per share.

22. SHARE-BASED PAYMENT ARRANGEMENTS

The board of directors resolved to issue 750 employee share options on April 14, 2025. The Company granted the right to subscribe for 1 thousand ordinary shares 690 units to specific employees of subsidiaries on September 12, 2025 (the date of the number of shares for employees to subscribe is confirmed). The price per share of ordinary shares for employee stock subscription is $145. Pursuant to the Company's "Regulations Governing Issuance and Exercising of Employee Share Options," the options granted are valid for 6 years and exercisable at certain percentages after the second anniversary from the grant date. For any subsequent changes in the Company's capital structure, the exercise price is adjusted according to the terms.

Information on employee share options issued and weighted average exercise price is as follows:

	For the Three Months Ended March 31, 2026	
	Number of Units (In Thousands)	Weighted Average Exercise Price (NT$)
Balance on January 1	690	$ 145
Options granted	-	-
Balance on March 31	690	$ 145
Options exercisable, end of period	-	
Weighted-average fair value of options granted (NT$)	$ 62.59	

On September 12, 2025, the Company measured employee share options by using the Black-Scholes-Merton Option Pricing Model, and the inputs to the models were as follows:

Per share price at the grant date	$145.00
Exercise price per share	$145.00
Expected share price volatility (%)	51.87
Expected lives (years)	4-5
Risk free interest rate (%)	1.25-1.28

The compensation of employees recognized on the consolidated statement of comprehensive income was $3,714 thousand for the three months ended March 31, 2026.

23. CAPITAL MANAGEMENT

The Group manages its capital to ensure entities in the Group will be able to continue as going concerns through consideration of the future operational plan, profitability, capital expenditure, operating income and debt repayment when assessing various costs and risks. In order to balance the overall capital and financial structure, the Group may pay dividends, issue new shares, etc.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - non-current				
Redemption option on convertible bonds	$ -	$ 600	$ -	$ 600

There were no transfers between Levels 1 and 2 in the current year.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Redemption option on convertible bonds	Under the assumption that corporate bond will be redeemed on September 5, 2027, discount rate adopted is calculated via interpolation method using government bond yield rates from public offer 2-year and 5-year period.

c. Categories of financial instruments

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to approximate their fair values.

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at amortized cost (1)	$ 5,834,440	$ 5,492,675	$ 5,894,301
Financial assets at FVTPL	-	-	600
Financial liabilities			
Financial liabilities at amortized cost (2)	3,360,598	3,094,547	2,539,601

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, other receivables (accounted as other current assets), current financial assets at amortized cost, non-current financial assets at amortized cost, and refundable deposits (accounted as other current assets and other non-current assets).

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, accounts payable to related parties, other payables, other payables to related parties, bonds payable and deposits received (accounted as other current liabilities and other non-current liabilities).

d. Financial risk management objectives and policies

The Group's main objective of financial risk management is to manage the market risk related to operating activity including foreign currency risk, interest rate risk, credit risk and liquidity risk. To reduce the potential and detrimental influence of market fluctuations on the Group's financial performance, the Group endeavors to identify, estimate and hedge the uncertainties of the market.

The Group's significant financial activity is reviewed and approved by the board of directors in compliance with related regulations and internal control policy, and the authority and responsibility are delegated according to the operating procedures. The Group did not enter into or trade financial instruments for speculative purposes.

1) Market risk

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

Sensitivity analysis

The Group is mainly exposed to the USD, EUR and JPY.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. For a 5% weakening of the New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

	For the Three Months Ended March 31	
	2026	**2025**
Profit at 5% variance		
USD	$ 55,913	$ 69,208
EUR	9,269	-
JPY	14,425	-

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 2,784,340	$ 2,955,893	$ 3,222,427
Financial liabilities	$ 1,595,982	$ 1,050,269	$ 1,681,096
Cash flow interest rate risk			
Financial assets	$ 1,818,062	$ 1,486,396	$ 1,192,392
Financial liabilities	$ 930,935	$ 1,393,927	$ 100,000

Due to the close and long-term relationship with banks, the Group obtained better and flexible interest rates from banks. The impact of the change in interest rates is not significant to the Group.

Sensitivity analysis

For the Group's floating interest rate financial assets and liabilities, if interest rates had been 0.1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would have increased/decreased as follows:

	For the Three Months Ended March 31	
	2026	2025
Increase/decrease	$ 222	$ 273

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation is at the level of the carrying amounts of the respective recognized financial assets which comprise receivables from operating activities as stated in the consolidated balance sheets.

To maintain the quality of the accounts receivable, the Group has developed a credit risk management procedure to reduce the credit risk from specific customers. The credit evaluation of individual customers includes considering factors that will affect their payment ability such as financial condition, past transaction records and current economic conditions. Credit risk of bank deposits, fixed-income investments and other financial instruments with banks is evaluated and monitored by the Group's finance department. Since the counterparties are creditworthy banks and financial institutions with good credit ratings, there was no significant credit risk.

3) Liquidity risk

The objective of liquidity risk management is to maintain adequate cash and cash equivalents with high liquidity and to ensure the Group has sufficient financial flexibility. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

March 31, 2026, December 31, 2025 and March 31, 2025, the Group had available unutilized bank loan facilities of $1,248,998 thousand, $1,009,973 thousand and $230,000 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods by financial institutions. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the financial institutes choosing to exercise their rights.

To the extent that interest cash flows paid at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2026

	On Demand or Less than 1 Year	**1-5 Years**
Floating interest rate instruments	$ 941,209	$ -
Fixed interest rate instruments	546,772	1,000,000
Lease liabilities	26,123	63,562
	$ 1,514,104	$ 1,063,562

December 31, 2025

	On Demand or Less than 1 Year	**1-5 Years**
Floating interest rate instruments	$ 444,411	$ -
Fixed interest rate instruments	966,391	1,000,000
Lease liabilities	25,701	69,212
	$ 1,436,503	$ 1,069,212

March 31, 2025

	On Demand or Less than 1 Year	**1-5 Years**
Floating interest rate instruments	$ 100,047	$ -
Fixed interest rate instruments	700,621	1,000,000
Lease liabilities	13,171	26,316
	$ 813,839	$ 1,026,316

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
YFY Packaging Inc.	Fellow subsidiary
Fidelis IT Solutions Co., Ltd.	Fellow subsidiary
YFY Corporate Advisory & Services Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Nanjing) Co., Ltd.	Fellow subsidiary
Pek Crown Paper Co., Ltd.	Fellow subsidiary
Chung Hwa Pulp Corporation	Fellow subsidiary
China Color Printing Co., Ltd.	Fellow subsidiary
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Fellow subsidiary
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Fellow subsidiary
YFY Packaging (Ha Nam) Co., Ltd.	Fellow subsidiary
Hsin-Yi Enterprise Co., Ltd.	Substantive related party
Yuen Foong Paper Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
Bank SinoPac Co., Ltd.	Substantive related party

b. Sales of goods

	For the Three Months Ended March 31	
Related Party Category	2026	2025
Fellow subsidiaries	$ 69	$ 1,166

For sales of goods to related parties, the prices and terms of receivables approximate those with non-related parties.

c. Purchases of goods

	For the Three Months Ended March 31	
Related Party Category	2026	2025
Substantive related parties	$ 2,911	$ 9
Fellow subsidiaries	1,072	723
	$ 3,983	$ 732

For purchases of goods from related parties, the prices and terms of payables approximate those with non-related parties.

d. Accounts receivable from related parties

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Fellow subsidiaries	$ 68	$ 61	$ 1,150

The outstanding accounts receivable from related parties are unsecured.

e. Accounts payable to related parties

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Substantive related parties	$ 3,057	$ -	$ -
Fellow subsidiaries	865	646	525
	$ 3,922	$ 646	$ 525

The outstanding accounts payable to related parties are unsecured.

f. Other payables to related parties

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Substantive related parties	$ 230	$ 251	$ 232
Fellow subsidiaries	-	-	625
	$ 230	$ 251	$ 857

g. Lease arrangements

	For the Three Months Ended March 31	
Related Party Category	2026	2025
Lease paid		
Substantive related parties	$ 549	$ 549

The lease period, rent and the payment condition for related parties approximate those with non-related parties.

h. Other transactions with related parties

Related Party Category	Miscellaneous Expenses (Accounted for as Operating Costs) For the Three Months Ended March 31 2026	2025
Fellow subsidiaries	$ 279	$ -

Related Party Category	Operating Expenses For the Three Months Ended March 31 2026	2025
Substantive related parties	$ 458	$ 330
Fellow subsidiaries	162	109
	$ 620	$ 439

Related Party Category	Prepaid Expenses March 31, 2026	December 31, 2025	March 31, 2025
Fellow subsidiaries	$ 404	$ -	$ 418

Related Party Category	Contract Liabilities March 31, 2026	December 31, 2025	March 31, 2025
Fellow subsidiaries	$ 496	$ 496	$ -

i. Remuneration of key management personnel

	For the Three Months Ended March 31 2026	2025
Short-term employee benefits	$ 13,174	$ 20,652
Post-employment benefits	517	247
Share-based payments	3,714	-
	$ 17,405	$ 20,899

The remuneration of directors and key executives as determined by the remuneration committee was based on the performance of individuals and market trends.

26. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information on the foreign currencies other than the functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2026		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 50,327	31.995 (USD:NTD)	$ 1,610,212
EUR	5,351	36.71 (EUR:NTD)	196,435
JPY	1,438,869	0.2005 (JPY:NTD)	288,493
Financial liabilities			
Monetary items			
USD	15,376	31.995 (USD:NTD)	491,955
EUR	301	36.71 (EUR:NTD)	11,050

	December 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 45,573	31.43 (USD:NTD)	$ 1,432,359
EUR	5,477	36.9 (EUR:NTD)	202,101
JPY	1,437,572	0.2008 (JPY:NTD)	288,664
Financial liabilities			
Monetary items			
USD	27,878	31.43 (USD:NTD)	876,206
EUR	1	36.9 (EUR:NTD)	37

	March 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 53,873	33.205 (USD:NTD)	$ 1,788,853
Financial liabilities			
Monetary items			
USD	12,188	33.205 (USD:NTD)	404,703

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended March 31			
	2026		2025	
Foreign Currency	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange (Losses) Gains	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange (Losses) Gains
USD	6.9194 (USD:RMB)	$ (13,819)	7.1782 (USD:RMB)	$ (3,748)
USD	31.995 (USD:NTD)	20,548	33.205 (USD:NTD)	22,508
USD	26,340 (USD:VND)	2,119	2.5577 (USD:VND)	(5,398)
		$ 8,848		$ 13,362

27. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Significant marketable securities held (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

6) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

28. SEGMENT INFORMATION

a. Segment revenue and results are as follows:

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to the operating result of resource allocation and assessment of segment performance reviewed by CODM, the parent company and its subsidiaries, which mainly are engaging in the design, development, manufacture and trading of radio-frequency identification (RFID) system, have been aggregated into a single operating segment. The measurement of the segment's income, assets, and liabilities is the same as the standard of financial statement preparation.

b. Revenue from major products and services

Please refer to Note 18 for the analysis of the Group's revenue from continuing operations from its major products and services.

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 2)	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
0	The Company	ARIZON CORPORATION	Other receivables - related parties	Yes	$ 191,970	$ 191,970	$ -	3.7	Short-term financing	$ -	Operating capital	$ -	None	$ -	$ 594,739	$ 2,378,956	
		Arizon Technology (Vietnam) Co., Ltd.	Other receivables - related parties	Yes	319,950	319,950	-	3.7	Short-term financing	-	Operating capital	-	None	-	2,378,956	2,378,956	
1	Arizon RFID Technology Co., Ltd.	Arizon Technology (Vietnam) Co., Ltd.	Other receivables - related parties	Yes	511,920	511,920	255,960	3.7	Short-term financing	-	Operating capital	-	None	-	558,398	2,233,595	

Note 1: Column is numbered as follows:

a. Parent: 0.
b. Subsidiaries are numbered starting from "1".

Note 2: The maximum balance of financings provided in the current year.

Note 3: Reasons for short-term financing were due to purchasing materials or operational turnover requirements, the total amount of loans shall not exceed 40% of the Company's net equity value based on its latest financial statements which were reviewed and attested by certified public accountants; the total amount of each borrower loans shall not exceed 40% of the Company's net equity value based on its latest financial statements which were reviewed and attested by certified public accountants.

Reasons for short-term financing were due to the need of business, the amount loaned to a company from the Company or subsidiaries shall not exceed 10% of the entity's net worth.

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)
		Name	Relationship (Note 2)										
0	The Company	Arizon Technology (Vietnam) Co., Ltd.	b.	$ 8,921,085	$ 959,850	$ 959,850	$ 575,852	$ -	16.14	$ 11,894,780	Y	N	N
		Arizon Corporation	b.	8,921,085	90,123	90,123	-	-	1.52	11,894,780	Y	N	N
		Arizon RFID Technologies (Hong Kong) Co., Ltd.	b.	8,921,085	1,461,000	1,461,000	900,000	-	24.57	11,894,780	Y	N	N

Note 1: The description of the number column is as follows:

a. 0 for the issuer.
b. Investees are numbered starting from “1”.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

a. Having a business relationship.
b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
f. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The limit of the company’s endorsement guarantee for a single enterprise is 150% of the net equity value of the latest financial statement issued by an accountant; the maximum limit of the endorsement guarantee is 200% of the net equity value of the latest financial statement issued by an accountant.

Note 4: The maximum balance of endorsement guarantee for others in the current year.

Note 5: The amount approved by the board of directors should be entered. However, if the board of directors authorizes the chairman of the board of directors to make a decision in accordance with Article 12, Paragraph 8 of the Guidelines for Handling Fund Loans and Endorsement Guarantees of Publicly Offered Companies, it refers to the amount decided by the chairman of the board.

Note 6: This represents the actual expenditure amount of the endorsed guarantee company within the scope of the balance of the endorsement guarantee.

Note 7: Only those who are endorsed and guaranteed by the parent company to the subsidiary, those who are endorsed and guaranteed by the subsidiary to the parent company, and those who are endorsed and guaranteed by the mainland must fill in Y.

TABLE 3

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note)	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Arizon RFID Technology Co., Ltd.	Negotiable certificates of deposit							
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2023	-	Financial assets at amortized cost - current	-	$ 92,479 (RMB 20,000 thousand)	-	$ 92,479 (RMB 20,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2023	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 3210 in 2025	-	Financial assets at amortized cost - non-current	-	231,198 (RMB 50,000 thousand)	-	231,198 (RMB 50,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 3357 in 2025	-	〃	-	231,198 (RMB 50,000 thousand)	-	231,198 (RMB 50,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 3180 in 2025	-	〃	-	184,958 (RMB 40,000 thousand)	-	184,958 (RMB 40,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 396 in 2024	-	〃	-	138,719 (RMB 30,000 thousand)	-	138,719 (RMB 30,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2761 in 2025	-	〃	-	138,719 (RMB 30,000 thousand)	-	138,719 (RMB 30,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2762 in 2025	-	〃	-	138,719 (RMB 30,000 thousand)	-	138,719 (RMB 30,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2579 in 2024	-	〃	-	92,479 (RMB 20,000 thousand)	-	92,479 (RMB 20,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 1689 in 2025	-	〃	-	92,479 (RMB 20,000 thousand)	-	92,479 (RMB 20,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2023	-	〃	-	92,479 (RMB 20,000 thousand)	-	92,479 (RMB 20,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	〃	-	92,479 (RMB 20,000 thousand)	-	92,479 (RMB 20,000 thousand)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note)	Relationship with the Holding Company	Financial Statement Account	March 31, 2026 Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 5119 in 2025	-	Financial assets at amortized cost - non-current	-	$ 92,479 (RMB 20,000 thousand)	-	$ 92,479 (RMB 20,000 thousand)	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 1825 in 2025	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	〃	-	46,240 (RMB 10,000 thousand)	-	46,240 (RMB 10,000 thousand)	

Note: The securities mentioned in the table above are those classified as financial instruments under IFRS 9, including shares, bonds, beneficiary certificates, and all other securities derived from those items.

(Concluded)

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Arizon RFID Technologies (Hong Kong) Co., Ltd.	ARIZON CORPORATION	b.	Sale	$ (179,900)	(54)	As agreed in contract	$ -	-	$ 717,255	87	Note 2
ARIZON CORPORATION	Arizon RFID Technologies (Hong Kong) Co., Ltd.	b.	Purchase	179,900	37	As agreed in contract	-	-	(717,255)	(64)	Note 2
Arizon RFID Technology Co., Ltd.	ARIZON CORPORATION	b.	Sale	(303,922)	(30)	As agreed in contract	-	-	400,828	40	Note 2
ARIZON CORPORATION	Arizon RFID Technology Co., Ltd.	b.	Purchase	303,922	62	As agreed in contract	-	-	(400,828)	(36)	Note 2

Note 1: a. Parent and subsidiary.
b. Fellow subsidiary.
c. Substantive related part.

Note 2: In preparing the consolidated financial statements, the transaction has been eliminated.

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Arizon RFID Technologies (Hong Kong) Co., Ltd.	ARIZON CORPORATION	Fellow subsidiary	$ 717,255	1.07	$ -	-	$ 30,577	$ -
Arizon RFID Technology Co., Ltd.	ARIZON CORPORATION	Fellow subsidiary	400,828	4.60	-	-	30,456	-

Note: In preparing the consolidated financial statements, the transaction has been eliminated.

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Subsidiary	Sales	$ 81,597	By market price	7
				Accounts receivable	81,175	By market price	1
		Arizon Corporation	Fellow subsidiary	Sales	303,922	By market price	26
				Accounts receivable	400,828	By market price	4
2	Arizon RFID Technologies (Hong Kong) Co., Ltd.	ARIZON CORPORATION	Fellow subsidiary	Sales	179,900	By market price	16
				Accounts receivable	717,255	By market price	7
		Arizon RFID Technology Co., Ltd.	Subsidiary	Sales	34,173	By market price	3

Note: In preparing the consolidated financial statements, the transaction has been eliminated.

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note (Note 2)
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
The Company	YFY RFID Co., Ltd.	13/F Amber Commercial Building, 70 Morrison Hill Road, Wanchai, Hong Kong	Investment and holding	$ 4,082,658 (US$ 127,603 thousand)	$ 4,082,658 (US$ 127,603 thousand)	29,584,886	100.00	$ 5,697,865	$ 155,908	$ 124,245	Subsidiary
	ARIZON CORPORATION	919 N. Market Street #950, Wilmington, Delaware 19801	Product distribution and technical consulting services	327,949 (US$ 10,250 thousand)	327,949 (US$ 10,250 thousand)	1,025	100.00	222,000	(50,702)	(50,702)	Subsidiary
	ARIZON TECHNOLOGY (VIETNAM)	Plot CN 01.9 and 01.10, Industrial Park No. 05, An Thi District, Hung Yen Province	Manufacture and sale of RFID (radio frequency identification) products	447,930 (US$ 14,000 thousand)	447,930 (US$ 14,000 thousand)	-	100.00	357,559	(14,859)	(14,859)	Subsidiary
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Room 2702-03 CC Wu Building, 302-8 Hennessy Road, Wan Chai, Hong Kong	Product distribution and R&D services	703,890 (US$ 22,000 thousand)	703,890 (US$ 22,000 thousand)	22,000,000	100.00	429,011	(15,245)	17,530	Subsidiary
	Arizon JAPAN Co., Ltd.	11-2-3-chome, Nishishinjuku, Shinjuku-ku, Tokyo, Japan	Product distribution and technical consulting services	10,025 (JPY 50,000 thousand)	10,025 (JPY 50,000 thousand)	1,000	100.00	8,957	(214)	(237)	Subsidiary

Note 1: Except for investment gain or loss which were translated at exchange rates of RMB1=NT$4.550848, the rest were translated at exchange rates of US$1=NT$31.995, RMB1=NT$4.623956 or JPY1=NT$0.2005 as of March 31, 2026.

Note 2: In preparing the consolidated financial statements, the transaction has been eliminated.

Note 3: Refer to Table 8 for information on investments in mainland China.

ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Note 1)	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026	Note
					Outward	Inward							
Arizon RFID Technology Co., Ltd.	Design, development, manufacture, sale and packaging of RFID (radio frequency identification) products	$ 898,388 (RMB 194,290 thousand)	b.	$ 812,417 (US$ 25,392 thousand)	$ -	$ -	$ 812,417 (US$ 25,392 thousand)	$ 164,368	99.98	$ 164,335 (Note 4, b)	$ 5,737,433 (Note 4, b)	$ 409,576 (RMB 90,000 thousand)	Note 3

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$812,417	$812,417	N/A

Note 1: Except for investment gain or loss which were translated at exchange rates of RMB1=NT$4.550848, the rest were translated at exchange rates of US$1=NT$31.995, RMB1=NT$4.623956 as of March 31, 2026.

Note 2: Methods of investment and the related investors are as follows:

a. Direct investment in mainland China and the investors.
b. Investment in mainland China through companies set up in another company, the investor is YFY RFID Co., Ltd.
c. Investment in mainland China through companies set up in another company, the investor is Arizon RFID Technology Co., Ltd.

Note 3: In preparing the consolidated financial statements, the transaction has been eliminated.

Note 4: The recognition basis for investment gain is as follows:

a. Financial statements reviewed by an international CPA firm with the cooperation of the ROC CPA firm.
b. Financial statements reviewed by the ROC CPA firm.
c. Others.