

**MEGA UNION TECHNOLOGY
INCORPORATED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of MEGA UNION TECHNOLOGY INCORPORATED

Opinion

We have audited the accompanying consolidated balance sheets of MEGA UNION TECHNOLOGY INCORPORATED and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Key audit matter: Accuracy of construction revenue

Description

Refer to Notes 4(26), 5(2) and 6(17) for the accounting policies, accounting estimates and details related to the recognition of construction revenue.

The Group is primarily engaged in the planning, design and installation of ultrapure water and wastewater recycling systems. The construction revenue is recognised by reference to the stage of completion of each contract. The stage of completion is estimated based on the actual accumulated construction costs relative to the total estimated costs. Given that the aforementioned total estimated costs involve accounting estimates resulting in uncertainties and the total estimated costs will affect the stage of completion and the recognition of construction revenue, we considered the accuracy of construction revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the internal control of the assessment of the total estimated costs, sampled and verified the total estimated costs of significant constructions and assessed the consistency between the assessment process and the designed internal control.
2. Sampled and verified the approved total estimated costs for the new significant constructions and the constructions with significant changes in the total estimated costs during the year, including the supporting documents of the modified construction costs during the year.
3. Obtained the details of construction costs during the year, performed relevant substantive procedures, including sampling and verifying the construction costs incurred for the year with relevant evidence, and confirmed whether the costs incurred for the year had been accounted for appropriately, recalculated the stage of completion which is calculated based on the actual accumulated construction costs relative to the total estimated costs and ascertained whether revenue was recognised appropriately based on the stage of completion.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of MEGA UNION TECHNOLOGY INCORPORATED as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

TSAI, PEI-HUA

Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 6,679,295	43	\$ 3,058,714	32
1136	Financial assets at amortised cost - current	6(3) and 8	547,844	4	690	-
1140	Contract assets - current	6(17)	2,084,532	13	1,943,161	20
1150	Notes receivable, net	6(4)	-	-	3,235	-
1170	Accounts receivable, net	6(4)	2,734,404	18	1,837,923	19
1200	Other receivables		6,573	-	2,663	-
130X	Inventories	6(5)	755,666	5	815,902	8
1410	Prepayments		264,855	2	187,695	2
1470	Other current assets	6(17)	36,794	-	24,050	-
11XX	Total current assets		13,109,963	85	7,874,033	81
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non current	6(2)	54,154	-	50,000	1
1600	Property, plant and equipment	6(6) and 8	2,120,811	14	1,692,810	17
1755	Right-of-use assets	6(7)	100,101	1	68,751	1
1780	Intangible assets		10,251	-	16,090	-
1840	Deferred tax assets	6(21)	34,132	-	41,398	-
1990	Other non-current assets		55,178	-	10,720	-
15XX	Total non-current assets		2,374,627	15	1,879,769	19
1XXX	Total assets		\$ 15,484,590	100	\$ 9,753,802	100

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MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8) and 8	\$	932,325	6	\$ -
2130	Contract liabilities - current	6(17)		1,733,333	11	1,494,611
2170	Accounts payable			2,089,798	13	1,551,998
2200	Other payables	6(9)		1,388,664	9	1,035,911
2230	Current income tax liabilities			417,732	3	262,284
2250	Provisions-current	6(10)		394,197	3	339,303
2280	Lease liabilities - current	7		54,377	-	23,786
2320	Long-term borrowings, current portion	6(11) and 8		2,851	-	26,380
2399	Other current liabilities			8,905	-	12,350
21XX	Total current liabilities			7,022,182	45	4,746,623
Non-current liabilities						
2540	Long-term borrowings	6(11) and 8		154,947	1	394,608
2570	Deferred tax liabilities	6(21)		221,036	2	91,439
2580	Lease liabilities - non current	7		50,079	-	46,870
2640	Net defined benefit liability - non-current	6(12)		9,946	-	4,106
25XX	Total non-current liabilities			436,008	3	537,023
2XXX	Total liabilities			7,458,190	48	5,283,646
Equity						
	Share capital	6(14)				
3110	Common share			766,879	5	690,883
	Capital surplus	6(15)				
3200	Capital surplus			3,132,347	20	971,110
	Retained earnings	6(16)				
3310	Legal reserve			403,175	3	252,010
3320	Special reserve			-	-	2,977
3350	Unappropriated retained earnings			3,693,581	24	2,542,888
	Other equity interest					
3400	Other equity interest			30,418	-	10,288
3XXX	Total equity			8,026,400	52	4,470,156
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$	15,484,590	100	\$ 9,753,802

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

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Years ended December 31,			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17)	\$ 16,912,921	100	\$ 10,300,194	100
5000	Operating costs	6(5)(10)(20)	(13,089,530)	(77)	(7,951,677)	(77)
5900	Gross profit		3,823,391	23	2,348,517	23
	Operating expenses	6(20)				
6200	General and administrative expenses		(650,284)	(4)	(365,162)	(3)
6300	Research and development expenses		(70,856)	-	(62,029)	(1)
6450	Expected credit impairment gain	6(4)(17)	12,876	-	4,754	-
6000	Total operating expenses		(708,264)	(4)	(422,437)	(4)
6900	Net operating profit		3,115,127	19	1,926,080	19
	Non-operating income and expenses					
7100	Interest income	6(3)	51,052	-	28,907	-
7010	Other income		5,673	-	9,214	-
7020	Other gains and losses	6(18)	16,940	-	16,740	-
7050	Finance costs	6(19) and 7	(33,927)	-	(11,178)	-
7000	Total non-operating income and expenses		39,738	-	43,683	-
7900	Profit before income tax		3,154,865	19	1,969,763	19
7950	Income tax expense	6(21)	(783,340)	(5)	(457,675)	(4)
8200	Profit for the year		\$ 2,371,525	14	\$ 1,512,088	15
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(12)	(\$ 5,409)	-	(\$ 548)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	1,082	-	109	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		(4,327)	-	(439)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		20,130	-	12,257	-
8360	Other comprehensive income that will be reclassified to profit or loss		20,130	-	12,257	-
8300	Other comprehensive income		\$ 15,803	-	\$ 11,818	-
8500	Total comprehensive income		\$ 2,387,328	14	\$ 1,523,906	15
	Total comprehensive income attributable to:					
8710	Shareholders of the parent		\$ 2,387,328	14	\$ 1,523,906	15
	Basic earnings per share (in dollars)					
9750	Profit for the year	6(22)	\$ 32.29		\$ 22.33	
	Diluted earnings per share (in dollars)					
9850	Profit for the year	6(22)	\$ 31.44		\$ 21.46	

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

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
		Capital Surplus			Retained Earnings			Other Equity Interest	
								Exchange differences on translation of foreign financial statements	
	Notes	Common share	Additional paid-in capital	Employee share options	Legal reserve	Special reserve	Unappropriated retained earnings		Total equity
Year ended December 31, 2024									
		\$ 615,441	\$ 924,980	\$ 8,928	\$ 141,788	\$ -	\$ 1,698,335	(\$ 1,969)	\$ 3,387,503
		-	-	-	-	-	1,512,088	-	1,512,088
		-	-	-	-	-	(439)	12,257	11,818
		-	-	-	-	-	1,511,649	12,257	1,523,906
Appropriations of 2023 earnings	6(16)								
		-	-	-	110,222	-	(110,222)	-	-
		-	-	-	-	2,977	(2,977)	-	-
		-	-	-	-	-	(492,353)	-	(492,353)
		61,544	-	-	-	-	(61,544)	-	-
Compensation costs recognised for employee share options	6(13)	-	-	4,550	-	-	-	-	4,550
Exercise of employee share options	6(13)(14)	13,898	32,652	-	-	-	-	-	46,550
Balance at December 31, 2024		<u>\$ 690,883</u>	<u>\$ 957,632</u>	<u>\$ 13,478</u>	<u>\$ 252,010</u>	<u>\$ 2,977</u>	<u>\$ 2,542,888</u>	<u>\$ 10,288</u>	<u>\$ 4,470,156</u>
Year ended December 31, 2025									
		<u>\$ 690,883</u>	<u>\$ 957,632</u>	<u>\$ 13,478</u>	<u>\$ 252,010</u>	<u>\$ 2,977</u>	<u>\$ 2,542,888</u>	<u>\$ 10,288</u>	<u>\$ 4,470,156</u>
		-	-	-	-	-	2,371,525	-	2,371,525
		-	-	-	-	-	(4,327)	20,130	15,803
		-	-	-	-	-	2,367,198	20,130	2,387,328
Appropriations of 2024 earnings	6(16)								
		-	-	-	151,165	-	(151,165)	-	-
		-	-	-	-	(2,977)	2,977	-	-
		-	-	-	-	-	(1,068,317)	-	(1,068,317)
Compensation costs recognised for employee share options	6(13)	-	-	52,682	-	-	-	-	52,682
Issuance of common shares for cash	6(14)	72,200	2,099,495	(1,948)	-	-	-	-	2,169,747
Exercise of employee share options	6(13)(14)	3,796	11,008	-	-	-	-	-	14,804
Balance at December 31, 2025		<u>\$ 766,879</u>	<u>\$ 3,068,135</u>	<u>\$ 64,212</u>	<u>\$ 403,175</u>	<u>\$ -</u>	<u>\$ 3,693,581</u>	<u>\$ 30,418</u>	<u>\$ 8,026,400</u>

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

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 3,154,865	\$ 1,969,763
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(20)	91,545	65,265
Amortization	6(20)	10,513	11,171
Interest expense	6(19)	33,927	11,178
Expected credit impairment gain	6(4)(17)	(12,876)	(4,754)
Gain on disposal of property, plant and equipment	6(18)	-	(467)
Gain on lease modification	6(7)(18)	(7)	(166)
Compensation costs of employee share options	6(13)	52,682	4,550
Interest income		(51,052)	(28,907)
Amount of property, plant and equipment transferred to expenses		3,449	27
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		(120,640)	(361,038)
Notes receivable		3,235	(2,129)
Accounts receivable		(890,353)	(164,682)
Other receivables		1,048	5,665
Inventories		54,938	(4,063)
Prepayments		(77,160)	(105,014)
Other current assets		(12,744)	(9,410)
Changes in operating liabilities			
Contract liabilities - current		238,722	244,464
Accounts payable		537,800	204,587
Other payables		347,806	250,478
Provisions - current		54,894	13,777
Other current liabilities		(3,445)	6,205
Net defined benefit liabilities		431	359
Cash inflow generated from operations		3,417,578	2,106,859
Interest paid		(28,980)	(11,178)
Interest received		46,094	28,508
Income tax paid		(489,947)	(403,877)
Net cash flows from operating activities		2,944,745	1,720,312

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MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost - current		(\$ 547,154)	\$ 652,977
Acquisition of financial assets at fair value through other comprehensive income		(4,154)	(50,000)
Acquisition of property, plant and equipment	6(23)	(494,661)	(358,432)
Proceeds from disposal of property, plant and equipment		-	600
Acquisition of intangible assets		(4,674)	(19,390)
(Increase) decrease in refundable deposits		(24,063)	8,975
Increase in other non-current assets		(17,824)	-
Capitalised interest paid	6(6)(19)	(30)	(1,730)
Net cash flows (used in) from investing activities		(1,092,560)	233,000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(24)	924,341	-
Proceeds from long-term borrowings	6(24)	158,500	-
Repayment of long-term borrowings	6(24)	(421,690)	(103,817)
Repayment of lease principal	6(24)	(36,882)	(20,247)
Dividends paid	6(16)	(1,068,317)	(492,353)
Issuance of common shares for cash	6(14)	2,169,747	-
Employee share options exercised	6(14)	14,804	46,550
Net cash flows from (used in) financing activities		1,740,503	(569,867)
Effects of exchange rate changes		27,893	12,234
Net increase in cash and cash equivalents		3,620,581	1,395,679
Cash and cash equivalents at beginning of year		3,058,714	1,663,035
Cash and cash equivalents at end of year		\$ 6,679,295	\$ 3,058,714

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

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) MEGA UNION TECHNOLOGY INCORPORATED (the “Company”) was incorporated in the Republic of China (R.O.C.) in 2005. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the planning, design and installation of ultrapure water and wastewater recycling system.

(2) The Company’s shares has been listed and traded on the Taiwan Stock Exchange since May 2025.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature – dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

These amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Global Inc.	General investments holding	100	100	-
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Worldwide Inc.	General investments holding	100	100	-
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technical Services Inc.	Operating business	100	100	-
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Global Private Limited	Ultrapure water and wastewater construction contracting services	100	100	-
MEGA UNION TECHNOLOGY INCORPORATED	Muaqua Engineering Inc.	Ultrapure water and wastewater construction contracting services	100	100	Note 1
Mega Union Technology Global Inc.	Shanghai Megaunion Environmental Technology Co., Ltd.	Ultrapure water and wastewater construction contracting services	100	100	-
Mega Union Technology Worldwide Inc.	Megaunion Environmental Technology (Nanjing) Co., Ltd.	Ultrapure water and wastewater construction contracting services	100	100	Note 2

Note 1: Muaqua Engineering Inc. was established in June 2024, and the Company invested in the entity in August 2024.

Note 2: Kunshan Megaunion Equipment Installation Co., Ltd. has been renamed to Megaunion Environmental Technology (Nanjing) Co., Ltd. on February 29, 2024.

C. Subsidiaries not included in the consolidated financial statements: None.

- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. As the operating cycle for construction contracts usually exceeds one year, the Group uses the operating cycle as its criteria for classifying current or non-current assets and liabilities related to construction contracts. For the other assets and liabilities, the criterion is one year.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;

- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable, notes receivable or contract assets that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable, notes receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 50 years
Machinery and equipment	3 ~ 15 years
Office equipment	3 ~ 10 years
Leasehold improvements	3 ~ 7 years
Transportation and other equipment	2 ~ 10 years

(14) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(16) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(20) Provisions for liabilities

Provisions (including warranties, onerous contracts and pending lawsuit) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. Provisions are not recognised for future operating losses.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The share-based payment grant date is the date that the Group and employees reached a consensus on the terms and provisions of share-based payment arrangements.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Construction revenue recognition

- (a) The Group provides related services in relation to the planning, design, construction and installation of ultrapure water and wastewater recycling system. Revenue is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total estimated costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification. The Group recognises revenue on the basis of costs incurred relative to the total estimated costs of that performance obligation.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

B. Other operating revenue

- (a) The Group derives other operating revenue from providing maintenance services of ultrapure water and wastewater recycling system and sales of relevant consumables and chemicals. Sales are recognised when control of the products has transferred, being when the products are delivered to the buyer, the buyer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(27) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Construction revenue recognition

The Group's revenue recognition is based on the percentage of input cost relative to the estimate cost at completion. The estimation of the cost of completion involves accounting estimates, resulting in uncertainty. The Group regularly reviews the reasonableness of the estimates, which may cause changes in the estimated total cost of completion, and affect the amount recognised by the Group.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 5,703	\$ 2,311
Checking accounts and demand deposits	2,609,007	2,194,549
Time deposits	3,564,585	861,854
Bills and bonds under repurchase agreements	500,000	-
	<u>\$ 6,679,295</u>	<u>\$ 3,058,714</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Cash and cash equivalents were classified as financial assets at amortised cost as they were pledged to others as collateral and were restricted due to lawsuit. Refer to Notes 6(3) and 8 for details.

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Unlisted shares	\$ 54,154	\$ 50,000
Valuation adjustment	-	-
	<u>\$ 54,154</u>	<u>\$ 50,000</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. For the years ended December 31, 2025 and 2024, no amount was recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income.

C. The Group had no financial assets at fair value through other comprehensive income pledged to others as collateral.

(3) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Restricted time deposits	\$ 100,000	\$ 690
Restricted demand deposits	447,844	-
	<u>\$ 547,844</u>	<u>\$ 690</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the years ended December 31,	
	2025	2024
Interest income	<u>\$ 693</u>	<u>\$ 282</u>

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was equivalent to the book value.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	<u>\$ -</u>	<u>\$ 3,235</u>
Accounts receivable	\$ 2,747,833	\$ 1,857,835
Less: Allowance for uncollectible accounts	<u>(13,429)</u>	<u>(19,912)</u>
	<u>\$ 2,734,404</u>	<u>\$ 1,837,923</u>

A. The ageing analysis of notes and accounts receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 2,484,564	\$ -	\$ 1,710,194	\$ 3,235
Up to 30 days	121,272	-	34,389	-
31 to 60 days	20,258	-	773	-
61 to 90 days	773	-	432	-
91 to 120 days	98,051	-	734	-
121 days to 1 year	12,163	-	31,754	-
Over one year	10,752	-	79,559	-
	<u>\$ 2,747,833</u>	<u>\$ -</u>	<u>\$ 1,857,835</u>	<u>\$ 3,235</u>

The above aging analysis was based on past due date.

- B. As of December 31, 2025 and 2024, notes and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$1,694,259.
- C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable and accounts receivable was equivalent to the book value.
- D. The Group classifies accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using a provision matrix to estimate the expected credit loss.
- E. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. However, the expected loss rates of the Group's notes receivable were all immaterial on December 31, 2025 and 2024; and the Group had no notes receivable that were past due as of December 31, 2025 and 2024.
- F. On December 31, 2025 and 2024, the provision matrix of accounts receivable is as follows:

	Not past due	Up to 90 days past due	91~120 days past due	121 days~1 year past due	Over 1 year past due	Individually assessed customers	Total
<u>December 31, 2025</u>							
Expected credit loss rate	0.03%	0.03%~ 9.15%	7.00%~ 21.84%	15.00%~ 27.21%	100%	0.00%~ 2.35%	
Total book value	<u>\$ 2,324,825</u>	<u>\$ 134,869</u>	<u>\$ -</u>	<u>\$ 2,573</u>	<u>\$ 10,301</u>	<u>\$ 275,265</u>	<u>\$ 2,747,833</u>
Loss allowance	<u>(\$ 697)</u>	<u>(\$ 377)</u>	<u>\$ -</u>	<u>(\$ 700)</u>	<u>(\$ 10,301)</u>	<u>(\$ 1,354)</u>	<u>(\$ 13,429)</u>
<u>December 31, 2024</u>							
Expected credit loss rate	0.03%	0.03%~ 33.22%	7.00%~ 76.01%	29.93%~ 90.00%	100%	0.00%~ 12.07%	
Total book value	<u>\$ 1,707,517</u>	<u>\$ 35,373</u>	<u>\$ 323</u>	<u>\$ -</u>	<u>\$ 10,070</u>	<u>\$ 104,552</u>	<u>\$ 1,857,835</u>
Loss allowance	<u>(\$ 510)</u>	<u>(\$ 82)</u>	<u>(\$ 49)</u>	<u>\$ -</u>	<u>(\$ 10,070)</u>	<u>(\$ 9,201)</u>	<u>(\$ 19,912)</u>

G. The movements of the loss allowance of accounts receivable are as follows:

	2025	2024
Balance at January 1	\$ 19,912	\$ 31,363
Reversal of impairment loss	(5,961)	(11,526)
Actual amounts written off	(355)	-
Net exchange differences	(167)	75
Balance at December 31	<u>\$ 13,429</u>	<u>\$ 19,912</u>

(5) Inventories

	December 31, 2025	December 31, 2024
Merchandise inventory	\$ 817,964	\$ 881,145
Less: Allowance for valuation loss	(62,298)	(65,243)
	<u>\$ 755,666</u>	<u>\$ 815,902</u>

The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2025	2024
Cost of goods sold and cost of construction	\$ 12,983,471	\$ 7,820,376
Estimated warranties and onerous contracts provisions	89,517	116,935
Loss on write-off inventories	19,487	628
(Gain on reversal of) loss on decline in market value	(2,945)	13,738
	<u>\$ 13,089,530</u>	<u>\$ 7,951,677</u>

The Group reversed a previous inventory write-down because some inventories which were previously provided with allowance for valuation loss were subsequently sold during the year ended December 31, 2025.

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Office equipment	Leasehold improvements	Transportation and other equipment	Unfinished construction and equipment under acceptance	Total
Balance at January 1, 2025	\$ 1,008,551	\$ 367,467	\$ 183,402	\$ 24,206	\$ 4,924	\$ 28,898	\$ 289,053	\$ 1,906,501
Cost	\$ 1,008,551	\$ 367,467	\$ 183,402	\$ 24,206	\$ 4,924	\$ 28,898	\$ 289,053	\$ 1,906,501
Accumulated depreciation	-	(76,578)	(49,528)	(15,639)	(2,617)	(10,744)	-	(155,106)
Accumulated impairment	-	-	(58,585)	-	-	-	-	(58,585)
	<u>\$ 1,008,551</u>	<u>\$ 290,889</u>	<u>\$ 75,289</u>	<u>\$ 8,567</u>	<u>\$ 2,307</u>	<u>\$ 18,154</u>	<u>\$ 289,053</u>	<u>\$ 1,692,810</u>
Balance at January 1, 2025	\$ 1,008,551	\$ 290,889	\$ 75,289	\$ 8,567	\$ 2,307	\$ 18,154	\$ 289,053	\$ 1,692,810
Additions	-	650	15,998	5,453	-	27,147	448,170	497,418
Reclassifications	-	-	(2,113)	-	-	(11,705)	(3,449)	(17,267)
Transfers	505,836	155,663	39,206	-	-	2,624	(703,329)	-
Depreciation charge	-	(15,855)	(22,517)	(4,106)	(976)	(8,711)	-	(52,165)
Net exchange differences	-	-	(3)	-	4	14	-	15
Balance at December 31, 2025	<u>\$ 1,514,387</u>	<u>\$ 431,347</u>	<u>\$ 105,860</u>	<u>\$ 9,914</u>	<u>\$ 1,335</u>	<u>\$ 27,523</u>	<u>\$ 30,445</u>	<u>\$ 2,120,811</u>
Balance at December 31, 2025	\$ 1,514,387	\$ 523,780	\$ 224,969	\$ 24,726	\$ 4,732	\$ 44,058	\$ 30,445	\$ 2,367,097
Cost	\$ 1,514,387	\$ 523,780	\$ 224,969	\$ 24,726	\$ 4,732	\$ 44,058	\$ 30,445	\$ 2,367,097
Accumulated depreciation	-	(92,433)	(60,524)	(14,812)	(3,397)	(16,535)	-	(187,701)
Accumulated impairment	-	-	(58,585)	-	-	-	-	(58,585)
	<u>\$ 1,514,387</u>	<u>\$ 431,347</u>	<u>\$ 105,860</u>	<u>\$ 9,914</u>	<u>\$ 1,335</u>	<u>\$ 27,523</u>	<u>\$ 30,445</u>	<u>\$ 2,120,811</u>
	Land	Buildings and structures	Machinery and equipment	Office equipment	Leasehold improvements	Transportation and other equipment	Unfinished construction and equipment under acceptance	Total
Balance at January 1, 2024	\$ 939,222	\$ 262,665	\$ 159,292	\$ 32,972	\$ 10,259	\$ 47,482	\$ 172,436	\$ 1,624,328
Cost	\$ 939,222	\$ 262,665	\$ 159,292	\$ 32,972	\$ 10,259	\$ 47,482	\$ 172,436	\$ 1,624,328
Accumulated depreciation	-	(70,271)	(69,857)	(24,760)	(6,676)	(23,332)	-	(194,896)
Accumulated impairment	-	-	(58,585)	-	-	-	-	(58,585)
	<u>\$ 939,222</u>	<u>\$ 192,394</u>	<u>\$ 30,850</u>	<u>\$ 8,212</u>	<u>\$ 3,583</u>	<u>\$ 24,150</u>	<u>\$ 172,436</u>	<u>\$ 1,370,847</u>
Balance at January 1, 2024	\$ 939,222	\$ 192,394	\$ 30,850	\$ 8,212	\$ 3,583	\$ 24,150	\$ 172,436	\$ 1,370,847
Additions	66,227	3,922	10,389	4,688	-	2,082	277,688	364,996
Reclassifications	-	-	-	-	-	(27)	-	(27)
Transfers	3,102	104,378	52,162	-	-	1,429	(161,071)	-
Disposals	-	-	(133)	-	-	-	-	(133)
Depreciation charge	-	(9,805)	(18,009)	(4,333)	(1,295)	(9,549)	-	(42,991)
Net exchange differences	-	-	30	-	19	69	-	118
Balance at December 31, 2024	<u>\$ 1,008,551</u>	<u>\$ 290,889</u>	<u>\$ 75,289</u>	<u>\$ 8,567</u>	<u>\$ 2,307</u>	<u>\$ 18,154</u>	<u>\$ 289,053</u>	<u>\$ 1,692,810</u>
Balance at December 31, 2024	\$ 1,008,551	\$ 367,467	\$ 183,402	\$ 24,206	\$ 4,924	\$ 28,898	\$ 289,053	\$ 1,906,501
Cost	\$ 1,008,551	\$ 367,467	\$ 183,402	\$ 24,206	\$ 4,924	\$ 28,898	\$ 289,053	\$ 1,906,501
Accumulated depreciation	-	(76,578)	(49,528)	(15,639)	(2,617)	(10,744)	-	(155,106)
Accumulated impairment	-	-	(58,585)	-	-	-	-	(58,585)
	<u>\$ 1,008,551</u>	<u>\$ 290,889</u>	<u>\$ 75,289</u>	<u>\$ 8,567</u>	<u>\$ 2,307</u>	<u>\$ 18,154</u>	<u>\$ 289,053</u>	<u>\$ 1,692,810</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the years ended December 31,	
	2025	2024
Amount capitalised	\$ 30	\$ 1,730
Range of the interest rates for capitalisation	2.340%	2.150%~2.275%

- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including plants, offices, warehouses and business vehicles. Rental contracts are typically made for periods of 2 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise employees' dormitories, warehouses and equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Buildings and structures	\$ 93,299	\$ 62,441
Transportation equipment (Business vehicles)	6,802	6,310
	<u>\$ 100,101</u>	<u>\$ 68,751</u>

	For the years ended December 31,	
	2025	2024
	Depreciation charge	Depreciation charge
Buildings and structures	\$ 34,672	\$ 18,127
Transportation equipment (Business vehicles)	4,708	4,147
	<u>\$ 39,380</u>	<u>\$ 22,274</u>

- D. The movements of right-of-use assets of the Group during 2025 and 2024 are as follows:

	2025		
	Buildings and structures	Transportation equipment	Total
Balance at January 1	\$ 62,441	\$ 6,310	\$ 68,751
Additions	66,601	5,270	71,871
Depreciation charge	(34,672)	(4,708)	(39,380)
Lease modification	-	(106)	(106)
Net exchange differences	(1,071)	36	(1,035)
Balance at December 31	<u>\$ 93,299</u>	<u>\$ 6,802</u>	<u>\$ 100,101</u>

	2024		
	Buildings and structures	Transportation equipment	Total
Balance at January 1	\$ 14,411	\$ 6,710	\$ 21,121
Additions	65,940	4,087	70,027
Depreciation charge	(18,127)	(4,147)	(22,274)
Lease modification	(581)	(409)	(990)
Net exchange differences	798	69	867
Balance at December 31	<u>\$ 62,441</u>	<u>\$ 6,310</u>	<u>\$ 68,751</u>

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,740	\$ 1,227
Expense on short-term lease contracts	27,550	18,486
Expense on variable lease payments	44,955	28,212
Gain on lease modification	7	166

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases was \$113,127 and \$68,172, respectively.

(8) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank secured borrowings (Note 1)	610,711	4.20%~5.28%	Note 2
Bank unsecured borrowings (Note 1)	321,614	4.74%~5.25%	None
	<u>\$ 932,325</u>		

As of December 31, 2024, the Group had no short-term borrowings.

Note 1: Information about the endorsements and guarantees is provided in Note 7(3)B.

Note 2: Information about the collateral is provided in Note 8.

(9) Other payables

	December 31, 2025	December 31, 2024
Bonuses and compensation payable	\$ 1,227,519	\$ 864,680
Wages and salaries payable	69,841	58,669
Business tax payable	29,851	59,801
Others	61,453	52,761
	<u>\$ 1,388,664</u>	<u>\$ 1,035,911</u>

(10) Provisions

2025				
	Warranty	Onerous contracts	Pending lawsuit	Total
At January 1	\$ 336,315	\$ 2,988	\$ -	\$ 339,303
Additional provisions	155,201	1,660	17,151	174,012
Used during the year	(53,721)	-	-	(53,721)
Unused amounts reversed	(67,344)	-	-	(67,344)
Exchange differences	1,267	-	680	1,947
At December 31	<u>\$ 371,718</u>	<u>\$ 4,648</u>	<u>\$ 17,831</u>	<u>\$ 394,197</u>
2024				
	Warranty	Onerous contracts	Pending lawsuit	Total
At January 1	\$ 277,048	\$ 48,478	\$ -	\$ 325,526
Additional provisions	171,669	-	-	171,669
Used during the year	(71,593)	(33,104)	-	(104,697)
Unused amounts reversed	(41,371)	(13,363)	-	(54,734)
Exchange differences	562	977	-	1,539
At December 31	<u>\$ 336,315</u>	<u>\$ 2,988</u>	<u>\$ -</u>	<u>\$ 339,303</u>

A. Warranty

The Group provides warranties on selling constructions. Provision for warranty is estimated based on historical actual warranty rate of construction.

B. Onerous contracts

The Group's provisions for the onerous contracts mainly refer to the difference of the cost of fulfilling a non-cancellable onerous contract less the consideration that will be received for fulfilling the contract.

C. Outstanding lawsuit

The supplier of the Group filed a lawsuit with the People's Court of Bao'an District, Shenzhen against the subsidiary of the Group due to the construction subcontract in April 2025. The Group assessed and recognised related losses and provisions amounting to \$17,151, which was recorded in 'operating costs'. Please refer to Note 9 for the relevant details of pending lawsuit.

(11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Secured borrowings (Note 2):				
First Commercial Bank	2025/09/26~2040/09/26 The principal and interest are payable monthly.	2.25%	Note 1	\$ 49,298
Land Bank of Taiwan	2025/10/1~130/10/1 The interest is payable monthly, and the principal is payable monthly starting from the fourth year.	2.28%	"	108,500
				157,798
Less: Current portion				(2,851)
				<u>\$ 154,947</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Secured borrowings (Note 2):				
First Commercial Bank	2014/11/28~2029/11/28 The principal and interest are payable monthly. (Note 3)	2.48%	Note 1	\$ 40,985
Land Bank of Taiwan	2021/12/14~2041/12/14 The interest is payable monthly, and the principal is payable monthly starting from the second year. (Note 4)	2.33%	"	380,003
				420,988
Less: Current portion				(26,380)
				<u>\$ 394,608</u>

Note 1: Certain property, plant and equipment were pledged as collateral. Refer to Note 8.

Note 2: Information about the endorsements and guarantees is provided in Note 7(3)B.

Note 3: In August 2025, the Group's secured borrowings of First Commercial Bank were settled in advance.

Note 4: In December 2025, the Group's secured borrowings of Land Bank of Taiwan were settled in advance.

(12) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 10,381	\$ 4,440
Fair value of plan assets	(435)	(334)
Net defined benefit liability	<u>\$ 9,946</u>	<u>\$ 4,106</u>

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

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 4,440	(\$ 334)	\$ 4,106
Current service cost	434	-	434
Interest expense (income)	78	(6)	72
	<u>4,952</u>	<u>(340)</u>	<u>4,612</u>
Remeasurements:			
Return on plan assets (Note)	-	(20)	(20)
Change in demographic assumptions	(218)	-	(218)
Change in financial assumptions	416	-	416
Experience adjustments	<u>5,231</u>	<u>-</u>	<u>5,231</u>
	<u>5,429</u>	<u>(20)</u>	<u>5,409</u>
Pension fund contribution	-	(75)	(75)
Balance at December 31	<u>\$ 10,381</u>	<u>(\$ 435)</u>	<u>\$ 9,946</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 3,450	(\$ 251)	\$ 3,199
Current service cost	372	-	372
Interest expense (income)	50	(4)	46
	<u>3,872</u>	<u>(255)</u>	<u>3,617</u>
Remeasurements:			
Return on plan assets (Note)	-	(20)	(20)
Change in demographic assumptions	41	-	41
Change in financial assumptions	(276)	-	(276)
Experience adjustments	<u>803</u>	<u>-</u>	<u>803</u>
	<u>568</u>	<u>(20)</u>	<u>548</u>
Pension fund contribution	-	(59)	(59)
Balance at December 31	<u>\$ 4,440</u>	<u>(\$ 334)</u>	<u>\$ 4,106</u>

Note: Excluding amounts included in interest income or expense.

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2025	2024
Discount rate	1.55%	1.75%
Future salary increases rate	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 506)	\$ 536	\$ 532	(\$ 505)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 218)	\$ 231	\$ 230	\$ 218

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$151.
- (g) As of December 31, 2025, the weighted average duration of the retirement plan is 20 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	-
1-2 year(s)		-
2-5 years		-
Over 5 years		14,250
	\$	<u>14,250</u>

- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Group’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) Other overseas companies have defined contribution plans in accordance with the local regulations. Other than the periodic contribution, the overseas companies have no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$43,101 and \$35,923, respectively.

(13) Share-based payments

A. As of December 31, 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in shares)	Contract period	Vesting conditions
Employee share options	2019/12/20	3,269,000	6 years	Notes 1 and 2
Employee share options	2022/11/30	2,145,000	6 years	Note 1
Cash capital increase reserved for employee preemption	2025/5/19	1,082,000	NA	Vested Immediately
Employee share options	2025/8/28	3,000,000	6 years	Note 1

The above share-based payment arrangements are all settled by equity.

Note 1: The Group's Board of Directors resolved to issue 3,269, 2,145 and 3,000 units of employee share options in 2019, 2022 and 2025, respectively. Each unit can subscribe for 1 thousand shares of common share. The employee share options shall be granted to full-time employees of the Company and its domestic and overseas subsidiaries that it directly or indirectly owns more than 50% voting shares in 2019 and 2022. The employee share options shall be granted to full-time employees of the Company and its domestic and overseas subsidiaries in 2025. The lifetime of the options is 6 years and the holders of the options can exercise a certain proportion of the options granted according to the following schedule from the date of holding them for 2 years:

Schedule	Accumulated ratio	
	For the years ended December 31,	
	2019 and 2022	2025
2 years	40%	20%
3 years	60%	40%
4 years	80%	70%
5 years	100%	100%

Note 2: It has been fully exercised in 2024.

B. Details of the share-based payment arrangements are as follows:

	2025		2024	
	Employee share options		Employee share options	
	Number of options	Weighted-average exercise price (in dollars)	Number of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	1,264,800	\$ 39	2,693,600	\$ 36
Options granted	3,000,000	588	-	-
Options exercised	(379,600)	39	(1,389,800)	33
Options forfeited	(52,600)	81	(39,000)	38
Options outstanding at December 31	<u>3,832,600</u>	468	<u>1,264,800</u>	39
Options exercisable at December 31	<u>25,800</u>	39	<u>-</u>	-

C. The expiry date and exercise price of share options outstanding at balance sheet date are as follows:

		December 31, 2025	
Issue date approved	Expiry date	Number of shares	Exercise price (in dollars)
November 30, 2022	November 30, 2028	836,600	\$ 39
August 28, 2025	August 28, 2031	2,996,000	588
		December 31, 2024	
Issue date approved	Expiry date	Number of shares	Exercise price (in dollars)
November 30, 2022	November 30, 2028	1,264,800	\$ 39

D. The fair value of share options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividend rate	Risk-free interest rate	Fair value per unit (in dollars)	Description
Employee share options	2019/12/20	\$ 25	18.85%	4~5.5 years	2.17%	0.576%~0.608%	\$ 1.9~2.2	Note 1
Employee share options	2022/11/30	39	21.24%~21.86%	4~5.5 years	-	1.223%~1.235%	10.6~11.9	"
Cash capital increase reserved for employee preemption	2025/5/19	262	9.83%	5 days	-	1.309%	1.8	"
Employee share options	2025/8/28	588	53.04%	4~5.5 years	-	1.279%~1.323%	246.6~285.4	Note 2

Note 1: Expected price volatility rate was estimated by using the historical share prices in the same industry with a fixed range within one year, and the standard deviation of the natural logarithm of the share during this period multiplied by the square root of the number of periods in one year.

Note 2: Expected price volatility was estimated by the historical volatility calculated as using the standard deviation of the daily rate of return of the Company's share price during the period from the listing on May 28, 2025 to the effective date of valuation. The historical volatility was annualised, and used as the forecast of the future expected price volatility of share price.

E. Expenses incurred on share-based payment transactions are shown below:

	For the years ended December 31,	
	2025	2024
Equity-settled	\$ 52,682	\$ 4,550

(14) Share capital

- A. As of December 31, 2025, the Company's authorised capital was \$1,000,000, consisting of 100,000 thousand shares of ordinary share, and the paid-in capital was \$766,879 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousands) are as follows:

	2025	2024
At January 1	69,088	61,544
Issuance of common shares for cash	7,220	-
Employee share options exercised	380	1,390
Share dividends of ordinary share (Note)	-	6,154
At December 31	76,688	69,088

Note: Refer to Note 6(16) C.

- B. On June 27, 2024, the Company's Board of Directors resolved to amend the Articles of Incorporation. The Company's authorised capital was amended from \$800,000 to \$1,000,000. The registration of the authorised capital was completed in July 2024.
- C. On June 27, 2024, the Company's Board of Directors resolved to capitalise the earnings for the year ended December 31, 2023 amounting to \$61,544 to increase its capital. The number of shares was 6,154 thousand shares. The capital increase was approved by the competent authority. On July 18, 2024, the Company's Board of Directors resolved to set the effective date on August 10, 2024, and the registration was completed in August 2024.
- D. The Company accepted the issuance of employee share options for ordinary shares of 547,000 shares and 843,000 shares, which were issued in 2019 and 2022, respectively. The subscription prices were \$25 and \$39 per share, resulting in a total capital contribution of \$46,550. The effective date for the capital increase was December 30, 2024, and the registration had been completed in February 2025.
- E. On March 13, 2025, the Company's Board of Directors resolved to increase its capital by issuing 7,220 thousand ordinary shares with a par value of \$10 (in dollars) per share to cooperate with the listing on the Taiwan Stock Exchange. The effective date was set on May 26, 2025. The minimum underwriting price at the competitive auction was \$225.86 (in dollars) per share. The competitive auction was that the one who bid for the shares with the higher bid price could preferably win the bid. Each winning bidder should acquire the shares based on its bid price. The price of each bid document and its volume-weighted average price was \$318.63 (in dollars) per share and the public subscription offering price was \$262 (in dollars) per share, totaling \$2,169,747 thousand, which had been fully collected. The registration for the change had been completed.

F. The Company accepted the issuance of employee share options for ordinary shares of 380,000 shares, which was issued in 2022. The subscription price was \$39 per share, resulting in a total capital contribution of \$14,804. The effective date for the capital increase was December 24, 2025, and the registration had been completed in January 2026.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common shares and donations can be used to cover accumulated deficit or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings/events after the balance sheet date

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, shall be appropriated.
- B. Except for covering accumulated deficit or issuing new shares or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of shares or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. The appropriations for 2024 and 2023 earnings have been approved by the shareholders during their meeting on June 26, 2025 and June 27, 2024, respectively. Details are summarized as follows:

	For the years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 151,165		\$ 110,222	
(Reversal of) appropriation for special reserve	(2,977)		2,977	
Share dividends	-	\$ -	61,544	\$ 1.00
Cash dividends	1,068,317	14.00	492,353	8.00
	<u>\$ 1,216,505</u>		<u>\$ 667,096</u>	

D. The appropriations of earnings for 2025 have been approved by the Board of Directors during its meeting on March 12, 2026. Details are summarized as follows:

	For the year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 236,720	
Share dividends	230,064	\$ 3.00
Cash dividends	1,303,694	17.00
	<u>\$ 1,770,478</u>	

As of March 12, 2026, the appropriations of 2025 earnings stated above have not yet been resolved by the shareholders.

(17) Operating revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers	<u>\$ 16,912,921</u>	<u>\$ 10,300,194</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Construction revenue	Other operating revenue	Adjustments and Offset	Total
For the year ended December 31, 2025				
Revenue from external customer contracts	\$ 13,445,050	\$ 3,467,871	\$ -	\$ 16,912,921
Inter-segment revenue	-	1,744,199	(1,744,199)	-
Total segment revenue	<u>\$ 13,445,050</u>	<u>\$ 5,212,070</u>	<u>(\$ 1,744,199)</u>	<u>\$ 16,912,921</u>
Timing of revenue recognition				
At a point in time	\$ -	\$ 4,724,169	(\$ 1,744,199)	\$ 2,979,970
Over time	13,445,050	487,901	-	13,932,951
	<u>\$ 13,445,050</u>	<u>\$ 5,212,070</u>	<u>(\$ 1,744,199)</u>	<u>\$ 16,912,921</u>

For the year ended December 31, 2024	Construction revenue	Other operating revenue	Adjustments and Offset	Total
Revenue from external customer contracts	\$ 7,521,114	\$ 2,779,080	\$ -	\$ 10,300,194
Inter-segment revenue	-	300,418	(300,418)	-
Total segment revenue	<u>\$ 7,521,114</u>	<u>\$ 3,079,498</u>	<u>(\$ 300,418)</u>	<u>\$ 10,300,194</u>
Timing of revenue recognition				
At a point in time	\$ -	\$ 2,703,172	(\$ 300,418)	\$ 2,402,754
Over time	7,521,114	376,326	-	7,897,440
	<u>\$ 7,521,114</u>	<u>\$ 3,079,498</u>	<u>(\$ 300,418)</u>	<u>\$ 10,300,194</u>

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets			
Cumulative costs incurred and profits recognised	\$ 14,842,824	\$ 14,434,072	\$ 11,662,323
Less: Cumulative progress billings	(12,757,666)	(12,483,372)	(10,072,661)
Less: Loss allowance	(626)	(7,539)	(766)
	<u>\$ 2,084,532</u>	<u>\$ 1,943,161</u>	<u>\$ 1,588,896</u>
Contract liabilities			
Cumulative progress billings	\$ 17,420,710	\$ 8,928,306	\$ 8,526,350
Less: Cumulative costs incurred and profits recognised	(15,721,899)	(7,444,972)	(7,306,054)
Contract liabilities - other operating revenue	34,522	11,277	29,851
	<u>\$ 1,733,333</u>	<u>\$ 1,494,611</u>	<u>\$ 1,250,147</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year

	For the years ended December 31,	
	2025	2024
Construction revenue	\$ 1,126,131	\$ 959,416
Other operating revenue	6,912	24,340
	<u>\$ 1,133,043</u>	<u>\$ 983,756</u>

D. Costs to fulfill a contract (recognised as “other current assets”)

	December 31, 2025	December 31, 2024
Costs to fulfill a contract - current	\$ 5,409	\$ 4,934

In response to the requirements of the customer contracts, the Group purchased the related materials and paid the related costs to the subcontractors. The costs were clearly identified relating to the contracts, and the costs were expected to be recoverable. The related revenue and costs would be recognised when the contractual performance obligations were completed.

- E. Aggregate amount of the transaction price allocated to construction contracts that are partially or fully unsatisfied as at December 31, 2025 and 2024, amounted to \$21,260,800 and \$14,986,495, respectively. Management expects that the transaction price allocated to the unsatisfied contracts as of December 31, 2025 and 2024, will be satisfied and recognised as revenue in the next one to two year(s).

Except for the abovementioned contracts, all other construction contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

- F. The Group always recognises lifetime expected credit losses (ECLs) for contract assets. Contract assets are recognised as accounts receivable when the invoices are issued. The credit risk of contract assets is the same as the accounts receivable arising from similar contracts; so the allowance for losses on contract assets is measured based on the expected credit loss on accounts receivable. Also, if the credit risk of a contract asset has increased significantly since the original recognition, an allowance for loss on the contract asset should be recognised on a case-by-case basis. The amount of the allowance for loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. The movement of the allowance for losses on contract asset for the years ended December 31, 2025 and 2024 was as follows:

	For the years ended December 31,	
	2025	2024
Balance at January 1	\$ 7,539	\$ 766
(Reversal of) provision for impairment	(6,915)	6,772
Net exchange differences	2	1
Balance at December 31	\$ 626	\$ 7,539

(18) Other gains and losses

	For the years ended December 31,	
	2025	2024
Net foreign exchange gains	\$ 16,933	\$ 16,107
Gains on disposals of property, plant and equipment	-	467
Gains on lease modifications	7	166
	<u>\$ 16,940</u>	<u>\$ 16,740</u>

(19) Finance costs

	For the years ended December 31,	
	2025	2024
Interest expense on bank borrowings	\$ 30,217	\$ 11,681
Interest expense on lease liabilities	3,740	1,227
Less: Capitalised interest expense	(30)	(1,730)
	<u>\$ 33,927</u>	<u>\$ 11,178</u>

(20) Depreciation, amortisation and employee benefit expense

	For the year ended December 31, 2025		
	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	\$ 1,223,600	\$ 496,495	\$ 1,720,095
Labour and health insurance fees	76,587	22,032	98,619
Pension costs	35,346	8,261	43,607
Directors' remuneration	27,007	10,557	37,564
Other employee benefit expense	57,587	19,062	76,649
Depreciation charges	45,135	46,410	91,545
Amortisation charges	-	10,513	10,513

	For the year ended December 31, 2024		
	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	\$ 881,025	\$ 268,178	\$ 1,149,203
Labour and health insurance fees	63,369	13,695	77,064
Pension costs	29,564	6,777	36,341
Directors' remuneration	17,082	6,890	23,972
Other employee benefit expense	41,563	12,840	54,403
Depreciation charges	26,714	38,551	65,265
Amortisation charges	1,450	9,721	11,171

- A. As at December 31, 2025 and 2024, the Group had 1,278 and 1,078 employees, respectively.
- B. In accordance with the Articles of Incorporation of the Group as amended by the shareholders for the year ended December 31, 2025, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% and higher than 20% for employees' compensation, of which 1% to 11% of employees' compensation shall be reserved for adjusting the salaries or distributing the compensation to the employees, and shall not be higher than 2% for directors' remuneration.
- C. For the years ended December 31, 2025 and 2024, the accrued amounts of the employees' compensation and directors' remuneration of the Company are as follows:

	For the years ended December 31,	
	2025	2024
Directors' remuneration	\$ 37,564	\$ 23,972
Employees' compensation	713,713	455,471
	<u>\$ 751,277</u>	<u>\$ 479,443</u>

Employees' compensation and directors' remuneration for 2025 as resolved by the Board of Directors on March 12, 2026 were in agreement with the estimated amount.

- D. Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements. Information about employees' compensation and directors' remuneration of the Group as resolved by the Board of Directors during its meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 614,775	\$ 385,543
Tax on unappropriated surplus earnings	16,905	21,756
Prior year income tax under (over) estimation	13,715	(9,846)
Total current tax	645,395	397,453
Deferred tax:		
Origination and reversal of temporary differences	137,945	60,222
	<u>\$ 783,340</u>	<u>\$ 457,675</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2025	2024
Remeasurement of defined benefit obligations	\$ 1,082	\$ 109

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 749,076	\$ 431,996
Expenses disallowed by tax regulation	2,445	1,528
Tax exempt income by tax regulation	(5,214)	(2,710)
Temporary differences not recognised as deferred tax assets	12,600	12,015
Taxable loss not recognised as deferred tax assets	451	1,601
Effect from investment tax credits	(7,506)	(1,860)
Prior year income tax under (over) estimation	13,715	(9,846)
Tax on unappropriated surplus earnings	16,905	21,756
Non-deductible foreign income tax	868	3,195
	<u>\$ 783,340</u>	<u>\$ 457,675</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
- Deferred tax assets:				
Book-tax differences on fixed assets	\$ 3,906	(\$ 1,302)	\$ -	\$ 2,604
Employee benefits/welfare	2,517	(623)	-	1,894
Unrealised inventory valuation loss	13,049	(589)	-	12,460
Warranty provision	13,106	(4,096)	-	9,010
Loss on foreign investment accounted for using the equity method	3,624	(1,356)	-	2,268
Capitalised repair expenses	1,125	116	-	1,241
Unrealised foreign exchange loss	-	1,292	-	1,292
Defined benefit plan	765	-	1,082	1,847
Others	3,306	(1,790)	-	1,516
	<u>41,398</u>	<u>(8,348)</u>	<u>1,082</u>	<u>34,132</u>
- Deferred tax liabilities:				
Gain on foreign investment accounted for using the equity method	(85,333)	(122,329)	-	(207,662)
Unrealised purchases discount	(5,411)	2,076	-	(3,335)
Unrealised sales revenue	-	(10,039)	-	(10,039)
Other	(695)	695	-	-
	<u>(91,439)</u>	<u>(129,597)</u>	<u>-</u>	<u>(221,036)</u>
	<u>(\$ 50,041)</u>	<u>(\$ 137,945)</u>	<u>\$ 1,082</u>	<u>(\$ 186,904)</u>

2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
- Deferred tax assets:				
Book-tax differences on fixed assets	\$ 5,207	(\$ 1,301)	\$ -	\$ 3,906
Employee benefits/welfare	3,609	(1,092)	-	2,517
Unrealised inventory valuation loss	10,301	2,748	-	13,049
Warranty provision	12,935	171	-	13,106
Allowance for uncollectible accounts	5,994	(4,491)	-	1,503
Loss on foreign investment accounted for using the equity method	1,779	1,845	-	3,624
Capitalised repair expenses	596	529	-	1,125
Unrealised profit from sale	753	320	-	1,073
Defined benefit plan	656	-	109	765
Others	6,468	(5,738)	-	730
	<u>48,298</u>	<u>(7,009)</u>	<u>109</u>	<u>41,398</u>
- Deferred tax liabilities:				
Gain on foreign investment accounted for using the equity method	(38,226)	(47,107)	-	(85,333)
Unrealised purchases discount	-	(5,411)	-	(5,411)
Others	-	(695)	-	(695)
	<u>(\$ 38,226)</u>	<u>(\$ 53,213)</u>	<u>\$ -</u>	<u>(\$ 91,439)</u>
	<u>\$ 10,072</u>	<u>(\$ 60,222)</u>	<u>\$ 109</u>	<u>(\$ 50,041)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025					
<u>Territory</u>	<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Deferred tax assets</u>	<u>Expiry year</u>
China	2022	\$ 336	\$ 336	\$ 336	2027
China	2023	758	758	758	2028
China	2024	542	542	542	2029
USA	2024	5,657	-	-	Note
China	2025	1,802	1,802	1,802	2030

December 31, 2024					
<u>Territory</u>	<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Deferred tax assets</u>	<u>Expiry year</u>
China	2022	\$ 336	\$ 336	\$ 336	2027
China	2023	758	758	758	2028
China	2024	542	542	542	2029
USA	2024	5,657	5,657	5,657	Note

Note: No expiration date.

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences	<u>\$ 315,704</u>	<u>\$ 252,706</u>

F. The Company and its Taiwan subsidiary-Mega Union Technical Service Inc.'s income tax returns through 2023 have been assessed and approved by the Tax Authority.

(22) Earnings per share

For the year ended December 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,371,525	73,448	\$ 32.29
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,371,525	73,448	
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	1,242	
- employee share options	-	741	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,371,525	75,431	\$ 31.44
For the year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share (Note)</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,512,088	67,702	\$ 22.33
<u>Diluted earnings per share (Note)</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,512,088	67,702	
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	1,576	
- employee share options	-	1,171	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,512,088	70,449	\$ 21.46

Note : On June 27, 2024, the Company's shareholders during their meeting resolved to capitalise the earnings to increase its capital. The effective date was set on August 10, 2024. The weighted average number of ordinary shares outstanding for the year ended December 31, 2024 was retrospectively adjusted proportionately to the capitalised amount of earnings.

(23) Supplemental cash flow information

Investing activities with partial cash payments:

	For the years ended December 31,	
	2025	2024
Purchase of property, plant and equipment	\$ 497,418	\$ 364,996
Add: Ending balance of prepayments for business facilities	4,360	1,789
Less: Opening balance of prepayments for business facilities	(1,789)	-
Less: Reclassification from inventories to property, plant and equipment	(5,298)	(6,623)
Less: Interest capitalisation	(30)	(1,730)
Cash paid during the year	<u>\$ 494,661</u>	<u>\$ 358,432</u>

(24) Changes in liabilities from financing activities

	2025			
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (including current portion)	Liabilities from financing activities-gross
Balance at January 1	\$ -	\$ 420,988	\$ 70,656	\$ 491,644
Changes in cash flow from financing activities	924,341	(263,190)	(36,882)	624,269
Impact of changes on foreign exchange rate	7,984	-	(1,076)	6,908
Changes in other non-cash items	-	-	71,758	71,758
Balance at December 31	<u>\$ 932,325</u>	<u>\$ 157,798</u>	<u>\$ 104,456</u>	<u>\$ 1,194,579</u>

	Long-term borrowings (Note)	Lease liabilities (including current portion)	Liabilities from financing activities-gross
Balance at January 1	\$ 524,805	\$ 21,146	\$ 545,951
Changes in cash flow from financing activities	(103,817)	(20,247)	(124,064)
Impact of changes on foreign exchange rate	-	886	886
Changes in other non-cash items	-	68,871	68,871
Balance at December 31	<u>\$ 420,988</u>	<u>\$ 70,656</u>	<u>\$ 491,644</u>

Note: Including current portion.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company has no ultimate parent company and ultimate controlling party.

(2) Names of related parties and relationship with the Group

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Lin Kuo-Ching	Chairman of the Company
Chou Chin-Ming	Key management personnel of the Group
Tsao I-Chang	"

(3) Significant related party transactions

A. Lease transactions - lessee

- (a) The Group leased buildings from the Company's chairman, Lin Kuo-Ching, in September 2021 and July 2024. The lease agreements have a duration of three years. Rents amount to \$317 per month and are paid semi-annually.

(b) Lease liabilities

i. Outstanding balance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Lin Kuo-Ching	<u>\$ 5,633</u>	<u>\$ 9,281</u>

ii. Interest expense

	For the years ended December 31,	
	2025	2024
Lin Kuo-Ching	\$ 150	\$ 105

B. Endorsements and guarantees that the chairman and the key management personnel provided to the Group

	December 31, 2025	December 31, 2024
Guaranteed amount	\$ 8,513,260	\$ 5,083,420
Actual amount drawn down	\$ 1,152,886	\$ 474,736

(4) Key management compensation

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 69,906	\$ 62,820
Post-employment benefits	802	883
	\$ 70,708	\$ 63,703

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	\$ 1,322,101	\$ 1,088,620	Short-term and long-term borrowings
Financial assets at amortised cost - current:			
Restricted demand deposits	447,844		Short-term borrowings and deposits
			- frozen by the court due to litigation
			Provision of endorsements and guarantee to subsidiaries and guarantee for construction
Restricted time deposits	100,000	690	payments
	\$ 1,869,945	\$ 1,089,310	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The supplier of the Group filed a lawsuit with the People's Court of Bao'an District, Shenzhen against the subsidiary of the Group due to the construction subcontract in April 2025, and the supplier requested the Group to repay the amount invested in the construction. The People's Court held hearings for the case in November 2025 and December 2025, respectively. As of the issuance date of the financial statements, the Group has not yet received a ruling from the court. The Group assessed and recognised related losses and provisions amounting to \$17,151. Additionally, the Group's deposit amounting to \$16,536 was frozen by the People's Court of Bao'an District, Shenzhen due to the lawsuit, which had been reclassified to financial assets at amortised cost – current based on its nature.

(2) Commitments

- A. The guarantee notes that the Group issued to the bank as it undertook constructions and entrusted the bank to provide performance guarantee amounted to \$34,276 as of December 31, 2025.
- B. The notes that the Group issued for construction performance guarantee amounted to \$680,069 as of December 31, 2025.
- C. Total unpaid amounts under the Company's signed construction purchase contracts, net of payments and accruals, were \$2,886,390 as of December 31, 2025.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. Refer to Notes 6(16). and 6(20).
- B. In response to the long-term development and plan of the Group's operations, the Company's Board of Directors resolved on March 12, 2026, to authorise the Chairman to fully represent the Company to negotiate the transaction details of the land and plant located in the Changhua Coastal Industrial Park with the non-related party and sign the relevant documents and contracts within a transaction amount of \$200,000.
- C. In response to the operational needs, the Group plans to invest in the construction of plants, on March 12, 2026, the Company's Board of Directors resolved to authorise the Chairman to fully handle the matters related to the U.S. subsidiary's plant construction on its own land within a transaction amount of \$1,950,000.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust to the optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 6,679,295	\$ 3,058,714
Financial assets at amortised cost	547,844	690
Notes receivable	-	3,235
Accounts receivable	2,734,404	1,837,923
Other receivables	6,573	2,663
Refundable deposits	32,994	8,931
	<u>\$ 10,001,110</u>	<u>\$ 4,912,156</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 54,154</u>	<u>\$ 50,000</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 932,325	\$ -
Accounts payable	2,089,798	1,551,998
Other payables	1,388,664	1,035,911
Long-term borrowings (Note)	157,798	420,988
	<u>\$ 4,568,585</u>	<u>\$ 3,008,897</u>
Lease liabilities (including current portion)	<u>\$ 104,456</u>	<u>\$ 70,656</u>

Note: Including current portion.

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to manage its foreign exchange risk against its functional currency.

- iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025							
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$ 25,473	31.42	\$ 800,362	1%	\$ 8,004	\$ -	
USD:SGD	5,489	1.29	172,468	1%	1,725	-	
RMB:NTD	1,777	4.51	8,014	1%	80	-	
USD:RMB	950	6.97	29,855	1%	299	-	
<u>Non-monetary items</u>							
USD:NTD	15,373	31.42	483,015	1%	-	4,830	
SGD:NTD	34,919	24.45	853,761	1%	-	8,538	
RMB:USD	50,594	0.14	227,925	1%	-	2,279	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	\$ 18,643	31.42	\$ 585,763	1%	\$ 5,858	\$ -	
USD:SGD	3,782	1.29	118,842	1%	1,188	-	
December 31, 2024							
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$ 7,726	32.79	\$ 253,336	1%	\$ 2,533	\$ -	
RMB:NTD	5,795	4.47	25,904	1%	259	-	
EUR:NTD	758	33.95	25,734	1%	257	-	
USD:SGD	1,697	1.36	55,638	1%	556	-	
USD:RMB	126	7.33	4,147	1%	41	-	
<u>Non-monetary items</u>							
USD:NTD	7,130	32.79	233,793	1%	-	2,338	
SGD:NTD	13,981	24.02	335,813	1%	-	3,358	
RMB:USD	45,745	0.14	204,526	1%	-	2,045	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	\$ 6,728	32.79	\$ 220,611	1%	\$ 2,206	\$ -	
EUR:NTD	3,850	33.95	130,708	1%	1,307	-	
RMB:NTD	361	4.47	1,614	1%	16	-	
USD:SGD	249	1.36	8,160	1%	82	-	

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$16,933 and \$16,107, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the investment approach is conducted in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2025 and 2024 would have increased/decreased by \$542 and \$500, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term bank borrowings. The borrowings with variable rates expose the Group to cash flow interest rate risk and the risk is partially offset by cash and cash equivalents held at variable rates. During 2025 and 2024, the Group's borrowings were denominated in NTD and USD.
- ii. If the borrowing interest rate had increased/decreased by 50 basis point with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$789 and \$2,105, respectively. The main factor is that changes in interest expense result from floating rate borrowings.
- iii. The Group did not use any financial instrument to hedge its interest rate risk.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the contract assets and accounts receivable based on the agreed terms.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group considers that the default occurs when the contract payments are past due over 365 days.
- iv. The Group adopts the assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. Information relating to the Group's credit risk of contract assets, accounts receivable and notes receivable is provided in Notes 6(4) and (17).

(c) Liquidity risk

- i. Cash flow forecasting is performed by Group treasury. Group treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets, and external regulatory or legal requirements.
- ii. As of December 31, 2025 and 2024, the Group's undrawn bank borrowing facilities amounted to \$7,360,374 and \$4,608,684, respectively.

- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2025	Less than 1 year	Between 1 and 5 year(s)	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 932,325	\$ -	\$ -
Accounts payable	2,089,798	-	-
Other payables	1,388,664	-	-
Lease liabilities (including current portion)	58,136	53,214	-
Long-term borrowings (Note)	6,404	131,146	38,322
December 31, 2024	Less than 1 year	Between 1 and 5 year(s)	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Accounts payable	\$ 1,551,998	\$ -	\$ -
Other payables	1,035,911	-	-
Lease liabilities (including current portion)	26,369	52,303	-
Long-term borrowings (Note)	35,944	143,038	324,985

Note: Including current portion.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and investment property is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits (recognised as “other non-current assets”) , short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and lease liabilities (including current portion) are approximate to their fair values.

C. The related information on the nature of the assets and liabilities is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets - Recurring fair value measurements				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	\$ -	\$ -	\$ 54,154	\$ 54,154
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets - Recurring fair value measurements				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	\$ -	\$ -	\$ 50,000	\$ 50,000

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
- ii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025	2024
Balance at January 1	\$ 50,000	\$ -
Acquired during the year	4,154	50,000
Balance at December 31	<u>\$ 54,154</u>	<u>\$ 50,000</u>

- E. Finance department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	<u>\$ 54,154</u>	Market comparable companies	Equity to asset ratio multiple and discount for lack of marketability	1.50~9.21	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	<u>\$ 50,000</u>	Market comparable companies	Equity to asset ratio multiple and discount for lack of marketability	2.21~11.71	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

G. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2025	
			Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instrument	Equity to asset ratio multiple and discount for lack of marketability	±1%	\$ 542	(\$ 542)
			December 31, 2024	
			Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instrument	Equity to asset ratio multiple and discount for lack of marketability	±1%	\$ 500	(\$ 500)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.
- F. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of construction service or other services delivered or provided. Reportable segments are as follows:

- A. Construction segment: provide long-term services of planning, design and installation of ultrapure water and wastewater recycling system.
- B. Other segments: provide maintenance services of ultrapure water and wastewater recycling system and sales of relevant consumables and chemicals.

(2) Measurement of segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

For the year ended December 31, 2025:

	Construction segment	Other segments	Total
Segment revenue	\$ 13,445,050	\$ 3,467,871	\$ 16,912,921
Segment income	\$ 2,817,288	\$ 1,006,103	\$ 3,823,391

For the year ended December 31, 2024:

	Construction segment	Other segments	Total
Segment revenue	\$ 7,521,114	\$ 2,779,080	\$ 10,300,194
Segment income	\$ 1,522,376	\$ 826,141	\$ 2,348,517

(3) Reconciliation for segment income

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.
- B. Reconciliation was not needed as the Group's Board of Directors assesses segment performance and allocates resources based on the profit after tax.

(4) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	For the years ended December 31,			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 11,710,858	\$ 2,161,131	\$ 8,855,805	\$ 1,733,396
Singapore	1,668,968	27,559	583,095	11,739
US	3,227,849	94,661	529,490	40,293
China	261,136	2,990	301,926	2,943
Others	44,110	-	29,878	-
	<u>\$ 16,912,921</u>	<u>\$ 2,286,341</u>	<u>\$ 10,300,194</u>	<u>\$ 1,788,371</u>

Note: Revenue is categorized based on the country where the customer is located.

(5) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	For the years ended December 31,	
	2025	2024
	Revenue	Revenue
Customer A	<u>\$ 13,064,633</u>	<u>\$ 7,877,768</u>

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES

Loans to others

For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum		Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short- term financing	Collateral		Limit on loans		Footnote	
					outstanding balance during the year ended December 31, 2025 (Note 3)	Balance at December 31, 2025 (Note 3)						Allowance for doubtful accounts	Item	Value	granted to a single party (Note 4 and Note 6)		Ceiling on total loans granted (Note 5 and Note 6)
0	Mega Union Technology Global Private Limited	Muaqua Engineering Inc.	Other receivables	Yes	\$ 785,500	\$ 785,500	\$ -	8%	Short- term financing	\$ -	Working captial	\$ -	None	\$ -	\$ 2,561,283	\$ 2,561,283	

Note 1:

The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2:

Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3:

The maximum amount of the loans for the year and the amount of ending balance of the loans referred to the credit approved by the Board of Directors, not the actual drawdown amount.

Note 4:

For the short-term financing needs, limit on loans granted to a single party shall not exceed 40% of the Company’s net assets. The amount of short-term financing provided refers to the cumulative balance of the Company's short-term financing.

Note 5:

Ceiling on total loans granted shall not exceed 40% of the Company’s net assets.

Note 6:

Mega Union Technology Global Private Limited provided financing to foreign company in which the Company directly and indirectly holds 100% of the voting power. The ceiling on total and single party shall not exceed 300% of its net assets.

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on		Outstanding amount at December 31, 2025 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements /guarantees secured with collateral (Note 8)	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company (Note 7)	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements /guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name (Note 2)	Relationship with the endorser/guarantor (Note 3)	endorsements/ guarantees provided for a single party (Note 4)	Maximum outstanding endorsement/guarantee amount as of December 31, 2025 (Note 4)									
0	MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Global Private Limited	(2)	\$ 4,013,200	\$ 1,590,868	\$ 1,590,868	\$ 711,108	\$ 100,000	19.82%	\$ 5,618,480	Y	N	N	
0	MEGA UNION TECHNOLOGY INCORPORATED	Shanghai Megaunion Environmental Technology Co., Ltd.	(3)	4,013,200	273,899	180,200	-	-	2.25%	5,618,480	Y	N	Y	
0	MEGA UNION TECHNOLOGY INCORPORATED	Muaqua Engineering Inc.	(2)	4,013,200	2,670,700	2,670,700	471,300	-	33.27%	5,618,480	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/ guaranteed subsidiary.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.
(1) The ceiling on total amount of endorsements/guarantees provided to other companies by the Company is 70% of the Company's net assets based on the latest reports audited or reviewed by independent accountants.
(2) The ceiling on total amount of endorsements/guarantees provided to a single party by the Company is 50% of the Company's net assets based on the latest reports audited or reviewed by independent accountants.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8:The Company provides a time deposit pledge as collateral to endorse and guarantee on behalf of its subsidiary.

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					As of December 31, 2025				
Holding Company					Number of				
Name	Type	Name	Relationship with the	General ledger account	shares	Book value	Ownership	Fair value	Footnote
			securities issuer		(in thousands)				
MEGA UNION TECHNOLOGY INCORPORATED	Stocks	Jin Join Rone Technology Corporation	Other related party	Financial assets at fair value through other comprehensive income - non-current	1,083	\$ 54,154	1.47%	\$ 54,154	

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship	Transaction				Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technical Services Inc.	Subsidiary	Technical service	\$ 264,861	8.33%	30 days after month-end	Note	Note	(\$ 40,705)	(2.27%)	
MEGA UNION TECHNOLOGY INCORPORATED	Muaqua Engineering Inc.	Subsidiary	(Sales)	(1,343,569)	(9.75%)	180 days after month-end	Contract price	No significant difference	244,269	12.15%	
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Global Private Limited	Subsidiary	(Sales)	(105,038)	(0.76%)	90 days after month-end	Contract price	No significant difference	9,612	0.48%	

Note: As there is no relevant similar transaction to inquire about, the transaction terms are determined based on mutual agreements.

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company Name	Counterparty	Relationship	Ending balance	Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Action taken		
MEGA UNION TECHNOLOGY INCORPORATED	Muaqua Engineering Inc.	Subsidiary	\$ 244,269	11.00	\$ -	-	\$ -	\$ -

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
					Amount	Transaction terms	
0	MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technical Services Inc.	1	Cost of construction	\$ 264,861	30 days after month-end	1.57%
0	MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technical Services Inc.	1	Accounts payable	40,705	30 days after month-end	0.26%
0	MEGA UNION TECHNOLOGY INCORPORATED	Muaqua Engineering Inc.	1	Operating revenue	1,343,569	180 days after month-end	7.94%
0	MEGA UNION TECHNOLOGY INCORPORATED	Muaqua Engineering Inc.	1	Accounts receivable	244,269	180 days after month-end	1.58%
0	MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Global Private Limited	1	Operating revenue	105,038	90 days after month-end	0.62%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Information on investees (excluding information on investments in Mainland China)
For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares (in thousands)	Ownership (%)	Book value			
MEGA UNION TECHNOLOGY INCORPORATED	Mega Union Technology Global Inc.	Samoa	General investments holding	\$ 62,401	\$ 62,401	2,030	100	\$ 219,109	\$ 23,465	\$ 24,223	Note
"	Mega Union Technology Worldwide Inc.	Samoa	General investments holding	21,696	21,696	730	100	9,511	(1,830)	(1,830)	"
"	Mega Union Technical Services Inc.	Taiwan	Operating	3,000	3,000	-	100	29,136	19,430	19,430	"
"	Mega Union Technology Global Private Limited	Singapore	Ultrapure water and wastewater construction contracting and service	37,732	37,732	1,300	100	853,761	490,862	490,862	"
"	Muaqua Engineering Inc.	USA	Ultrapure water and wastewater construction contracting and service	163,700	38,748	5,000	100	254,395	105,171	105,171	"

Note: The Company's subsidiary.

MEGA UNION TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 2025

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 3)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Megaunion Environmental Technology Co., Ltd.	Ultrapure water and wastewater construction contracting and service	USD2,000,000	2	\$ 61,494	\$ -	\$ -	\$ 61,494	\$ 23,494	100%	\$ 23,494	\$ 218,816	\$ -	Note 2(2)B and Note 4
Megaunion Environmental Technology (Nanjing) Co., Ltd.	Ultrapure water and wastewater construction contracting and service	USD700,000	2	20,789	-	-	20,789	(1,803)	100%	(1,803)	9,109	-	Note 2(2)B and Note 5

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
MEGA UNION TECHNOLOGY INCORPORATED	\$ 82,283	\$	82,283	\$ 4,815,840

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the ‘Investment income (loss) recognised by the Company for the year ended December 31, 2025’ column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements were audited and attested by R.O.C. parent company’s CPA.
 - C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Reinvested through Mega Union Technology Global Inc.

Note 5: Reinvested through Mega Union Technology Worldwide Inc.