Sunny Friend Environmental Technology Co., Ltd.

Standalone Financial Statements and Independent Accounting Auditors' Report

Years Ended December 31, 2025 and 2024

(Stock Code: 8341)

Company Address	:	No. 1-20, Yuandong Road, Yuanchang Township, Yunlin County
Telephone	:	(05) 788-5788

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Notice to Readers:

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.

Sunny Friend Environmental Technology Co.,Ltd.

2025 and 2024 Standalone Financial Statements and Accounting Auditors' Report

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Independent Auditors’Report

(2026) Cai-Shen-Bao-Zi No. 25004320

Sunny Friend Environmental Technology

Opinions

We have audited the accompanying parent company only balance sheets dated December 31, 2025 and 2024 and the parent company only statements of comprehensive income, changes in equity and cash flows for the years starting January 1 and ending on December 31, 2025 and 2024, as well as the notes to the parent company only financial statements (including the summary of major accounting policies) for Sunny Friend Environmental Technology.

In our opinion, the parent company only financial statements referred to above are published in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and present fairly, in all material respects, the parent company only financial position of Sunny Friend Environmental Technology as of December 31, 2025 and 2024, and the financial performance and cash flow between January 1 and December 31 of 2025 and 2024.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Parent company only Financial Statements section of our report. We are independent of Sunny Friend in accordance with the 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 Issues

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

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Correctness of Income from Waste Disposal

Description

For the accounting policies on operating revenue, refer to Note IV (XXVI) of the parent company only financial statements. For the description of operating revenue items, refer to Note VI (XIX) of the parent company only financial statements.

The business revenue of Sunny Friend mainly comes from waste disposal. The revenue is recognized based on the various waste disposal processes (incineration, physicochemical and solidification) commissioned by different clients. The price and quantity are based on the contract's signs with various clients and the reports provided by the waste treatment plants. Due to a large number of clients and medical institutions that commission the Company for waste disposal and that the types, quantities, procedures and pricing are all different, partial manual operations of the handling, recording and maintaining reports and records may result in the incorrect calculation of revenue from waste disposal. The amount can have a significant impact on the financial statements. Therefore, the accountants believe that the correctness of the waste disposal income shall be one of the most important issues for the audit this year.

Corresponding Audit Procedures

Our key audit procedures performed with respect to the above area included the following:

1. Based on our understanding of the Company's business and industry, we assessed the reasonableness of revenue recognition policies and procedures. We confirmed that these were consistently applied in the financial statements.
2. We understood the processes of waste collection, management and disposal and assessed and tested relevant internal controls, including the verification of consistency between the quantities commissioned by clients, handled by the processing plants and transported by external transportation firms and inspection of the actual processing volume of and the reported processing volume by the processing plant.
3. We verified the accuracy of the operating statement that was used in revenue recognition

by management, including randomly checking the details of items and quantities of billing charges against the actual contracts and daily processing reports of the plant to recalculate the accuracy and ascertained that these were consistent with the carrying amount in revenue.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Sunny Friend's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 Sunny Friend's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether or not the parent company only financial statements as a whole are free from material misstatements, 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 auditing standards generally accepted in Taiwan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They 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 standalone financial statements.

As part of an audit in accordance with the auditing standards generally accepted in Taiwan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conduct the following tasks:

1. Identify and assess the risks of material misstatements of the parent company only 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 the 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 Company'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 or not a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures and whether or not the 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 Sunny Friend to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit for the parent company only entity. 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 parent company only financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditor's report unless the 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.

PricewaterhouseCoopers, Taiwan
Chin-Lien Huang
Accountant
Chih-Fan Yu
Financial Supervisory Commission
Approval Document Number: Jin-Guan-Zheng-Shen-Zi. No.1100348083
Approval Document Number: Jin-Guan-Zheng-Shen-Zi. No.1110349013
March 5, 2026

Sunny Friend Environment Technology Co.,Ltd.
Standalone Balance Sheet
December 31, 2025 and 2024

Unit: NT$1,000

	Asset	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI (I)	$ 137,036	2	$ 202,826	2
1140	Contract assets－Current	VI (XIX) and XII(II)	285,620	3	-	-
1150	Notes receivable, net	VI (III) and XII (II)	475	-	5,824	-
1170	Accounts receivable, net	VI (III) and XII (II)	27,255	-	162,105	2
1180	Account receivable - Net from related parties	VI (III)、VII and XII(II)	43,301	1	92,549	1
1200	Other receivables		336	-	373	-
1210	Other receivables - Related parties	VII	4,023	-	2,176	-
1460	Non-current assets available for sale - Net	VI (VIII) and VII	-	-	231,085	2
1470	Other current assets		98,805	1	73,110	1
11XX	**Total Current Assets**		596,851	7	770,048	8
	Non-current assets					
1535	Financial assets at amortized cost - Non-current	VI (I) (II) and VIII	9,921	-	11,406	-
1550	Investments accounted for using equity method	VI (IV)(VIII) and VII	4,359,214	50	4,650,497	50
1600	Property, plant and equipment	VI (V)、VII and VIII	3,260,108	38	3,292,745	35
1755	Right-of-use assets	VI (VI)	281,653	3	329,412	4
1780	Intangible assets	VI (IX)	92,229	1	140,224	2
1840	Deferred income tax assets	VI (XXVI)	6,885	-	5,216	-
1900	Other non-current assets	VI (X)	86,639	1	80,944	1
15XX	**Total Non-current Assets**		8,096,649	93	8,510,444	92
1XXX	**Total Assets**		$ 8,693,500	100	$ 9,280,492	100

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Sunny Friend Environment Technology Co.,Ltd.
Standalone Balance Sheet
December 31, 2025 and 2024

Unit: NT$1,000

	Liabilities and Stockholders' Equity	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities					
2130	Contract liabilities - Current	VI (XIX)	$ 36	-	$ 94	-
2150	Notes payable		2,709	-	2,133	-
2170	Accounts payable		94,952	1	93,197	1
2180	Accounts payable - Related parties	VII	17,837	-	1,564	-
2200	Other payables	VI (XI)	267,137	3	212,508	2
2230	Current income tax liabilities		112,654	2	92,199	1
2250	Provisions - Current	VI (XIV)	10,873	-	20,707	-
2280	Lease liabilities - Current	VI (VI)	23,490	-	24,749	-
2310	Advance payments	VI (VIII) and VII	-	-	89,624	1
2320	Long-term liabilities - Current portion	VI (XII) and VIII	24,000	-	99,000	1
2399	Other current liabilities - Other	VI (III)	40,266	1	36,474	1
21XX	**Total Current Liabilities**		593,954	7	672,249	7
	Non-current liabilities					
2540	Long-term borrowings	VI (XII) and VIII	2,482,500	29	2,981,500	32
2550	Provisions - Non-current	VI (XIV)	18,391	-	5,373	-
2570	Deferred income tax liabilities	VI (XXVI)	3,527	-	54,855	1
2580	Lease liabilities - Non-current	VI (VI)	277,697	3	322,581	3
25XX	**Total Non-current Liabilities**		2,782,115	32	3,364,309	36
2XXX	**Total Liabilities**		3,376,069	39	4,036,558	43
	Equity					
	Capital	VI (XVI)				
3110	Capital stock		1,300,000	15	1,300,000	14
	Capital surplus	VI (XVII)				
3200	Capital surplus		2,588,427	30	2,588,427	28
	Retained earnings	VI (XVIII)				
3310	Legal reserve		824,947	9	776,927	9
3320	Special reserve		25,922	-	115,699	1
3350	Unappropriated earnings		619,425	7	488,803	5
	Other equity interests					
3400	Other equity interests		(41,290)	-	(25,922)	-
3XXX	**Total Stockholders' Equity**		5,317,431	61	5,243,934	57

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Sunny Friend Environment Technology Co.,Ltd.
Standalone Balance Sheet
December 31, 2025 and 2024

Unit: NT$1,000

	Liabilities and Stockholders' Equity	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Material contingent liabilities and unrecognized contractual commitments	IX				
	Major subsequent issues	XI				
3X2X	**Total Liabilities and Equity**		$ 8,693,500	100	$ 9,280,492	100

Please refer to the accompanying notes to the financial statements as they are an integral part of the consolidated financial report.

Chairman: Fang-Cheng Chang　　Managerial Officer: Fang-Cheng Chang　　Principal Accounting Officer: Ming-Hung Hsieh

Sunny Friend Environment Technology Co.,Ltd.
Standalone Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT$1,000
(Except for earnings per share)

	Items	Notes	2025 Amount	2025 %	2024 Amount	2024 %
4000	Operating revenue	VI (XIX) and VII	$ 2,671,170	100	$ 2,264,184	100
5000	Operating costs	VI (IX) (XXIV) (XXV)、VII and IX	(1,507,545)	(57)	(1,209,118)	(53)
5900	Gross profit		1,163,625	43	1,055,066	47
	Operating expenses	VI (IX) (XXIV) (XXV)				
6100	Marketing expenses		(46,203)	(2)	(39,851)	(2)
6200	General and administrative expenses		(253,772)	(9)	(242,723)	(11)
6450	Expected loss on credit impairment	XII (II)	(51)	-	19	-
6000	Total operating expenses		(300,026)	(11)	(282,555)	(13)
6900	Operating profit		863,599	32	772,511	34
	Non-operating income and expenses					
7100	Interests income	VI (II)(XX)	1,465	-	1,269	-
7010	Other income	VI(XXI) and VII	6,632	-	10,879	-
7020	Other benefits and losses	VI (XXII)	4,024	-	(2,482)	-
7050	Financial cost	VI (VI)(XXIII)	(33,181)	(1)	(45,687)	(2)
7070	Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method	VI (IV)	(114,382)	(4)	(157,422)	(7)
7000	Total operating income and expenses		(135,442)	(5)	(193,443)	(9)
7900	**Profit before income tax**		728,157	27	579,068	25
7950	Income tax expense	VI (XXVI)	(145,292)	(5)	(98,865)	(4)
8200	**Profit for the year**		$ 582,865	22	$ 480,203	21
	Other comprehensive income for the year (net)					
	Items that will be reclassified to profit or loss					
8361	Exchange differences arising on the translation of foreign operations		($ 15,368)	(1)	$ 89,777	4
8300	**Other comprehensive income for the year (net)**		($ 15,368)	(1)	$ 89,777	4
8500	**Total comprehensive income for the year**		$ 567,497	21	$ 569,980	25

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Sunny Friend Environment Technology Co.,Ltd.
Standalone Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT$1,000
(Except for earnings per share)

			2025		2024	
	Items	Notes	Amount	%	Amount	%
	Earnings per share	VI (XXVIII)				
9750	Total basic earnings per share		$ 4.48		$ 3.69	
9850	Total diluted earnings per share		$ 4.46		$ 3.68	

Please refer to the accompanying notes to the financial statements as they are an integral part of the consolidated financial report.

Chairman: Fang-Cheng Chang Managerial Officer: Fang-Cheng Chang Principal Accounting Officer: Ming-Hung Hsieh

Sunny Friend Environment Technology Co.,Ltd.
Standalone Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT$1,000

	Notes	Capital stock	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated earnings	Exchange differences arising on the translation of foreign operations	Total
2024								
Balance January 1, 2024		$ 1,300,000	$ 2,558,820	$ 736,071	$ 65,986	$ 463,169	($ 115,699)	$ 5,008,347
Profit for the year		-	-	-	-	480,203	-	480,203
Other comprehensive income for the year		-	-	-	-	-	89,777	89,777
Total comprehensive income for the year		-	-	-	-	480,203	89,777	569,980
Appropriation of 2023 earnings:	VI(XVIII)							
Provisions for Legal reserve		-	-	40,856	-	(40,856)	-	-
Provisions for Special reserve		-	-	-	49,713	(49,713)	-	-
Cash dividends		-	-	-	-	(364,000)	-	(364,000)
Distribution of cash from capital surplus	VI(XVII) (XVIII)	-	(130,000)	-	-	-	-	(130,000)
Share-based payment	VI(XV) (XVII)	-	3,735	-	-	-	-	3,735
The net difference between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of the subsidiaries	VI(IV)(XVII) (XXVII)	-	28,827	-	-	-	-	28,827
Changes in ownership interests in subsidiaries	VI(IV) (XXVII)	-	127,045	-	-	-	-	127,045
Balance December 31, 2024		$ 1,300,000	$ 2,588,427	$ 776,927	$ 115,699	$ 488,803	($ 25,922)	$ 5,243,934
2025								
Balance January 1, 2025		$ 1,300,000	$ 2,588,427	$ 776,927	$ 115,699	$ 488,803	($ 25,922)	$ 5,243,934
Profit for the year		-	-	-	-	582,865	-	582,865
Other comprehensive income for the year		-	-	-	-	-	(15,368)	(15,368)
Total comprehensive income for the year		-	-	-	-	582,865	(15,368)	567,497

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Sunny Friend Environment Technology Co.,Ltd.
Standalone Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT$1,000

				Retained earnings				
	Notes	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on the translation of foreign operations	Total
Appropriation of 2024 earnings:	VI(XVIII)							
Provisions for Legal reserve		-	-	48,020	-	(48,020)	-	-
Reversal for Special reserve		-	-	-	(89,777)	89,777	-	-
Cash dividends		-	-	-	-	(494,000)	-	(494,000)
Balance December 31, 2025		$ 1,300,000	$ 2,588,427	$ 824,947	$ 25,922	$ 619,425	($ 41,290)	$ 5,317,431

Please refer to the accompanying notes to the financial statements as they are an integral part of the consolidated financial report.

Chairman: Fang-Cheng Chang Managerial Officer: Fang-Cheng Chang Principal Accounting Officer: Ming-Hung Hsieh

Sunny Friend Environment Technology Co.,Ltd.
Standalone Cash Flow Statement
January 1 to December 31, 2025 and 2024

Unit: NT$1,000

	Notes	2025	2024
Cash Flow from Operating Activities			
Profit before income tax		$ 728,157	$ 579,068
Adjustment			
Adjustments to reconcile profit (loss)			
Expected loss (gain) on credit impairment	VI(XXIV)	51	(19)
Gain on disposal of property, plant and equipment	VI (XXII)	(2,048)	(453)
Gain on disposal of non-current assets available for sale	VI (XXII)	(2,928)	-
Loss from disposal of investment property	VI(XXII)	-	602
Investments loss recognized by using equity method	VI (IV)	114,382	157,422
Depreciation expense	VI (V) (VI) (XXIV)	338,820	297,350
Amortization	VI (IX) (XXIV)	49,207	37,995
Interests income	VI (XX)	(1,465)	(1,269)
Interest expenses	VI (XXIII)	33,181	45,687
Employee stock option compensation expense	VI (XV)(XXV)	-	3,735
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets－Current		(285,620)	-
Notes receivable		5,349	(3,419)
Accounts receivable		134,799	(73,716)
Account receivable - Related parties		49,248	27,914
Other receivables		181	97
Other receivables - Related parties		(1,847)	(2,160)
Other current assets		(30,255)	3,385
Changes in operating liabilities			
Contract liabilities-current and non-current		(58)	4
Notes payable		576	(8,146)
Accounts payable		1,755	17,959
Accounts payable - Related parties		16,273	1,396
Other payables		(16,379)	(24,595)
Advance payments		(800)	800
Other current liabilities		2	224
Provisions - current and non-current	VI (XIV)	13,017	5,373
Cash flow from operating activities		1,143,598	1,065,234
Dividends received	VI (IV)	100,378	62,075
Interest received		1,321	1,430
Interest paid		(2,029)	(25,134)
Income tax paid		(177,834)	(114,545)
Net cash generated by operating activities		1,065,434	989,060

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Sunny Friend Environment Technology Co.,Ltd.
Standalone Cash Flow Statement
January 1 to December 31, 2025 and 2024

Unit: NT$1,000

	Notes	2025	2024
Cash Flow from Investing Activities			
Acquisition of financial assets at amortized cost		($ 9,242)	($ 9,906)
Disposal of financial assets at amortized cost		10,727	11,175
Acquisition of property, plant and equipment	VI (XXIX)	(234,600)	(357,865)
Proceeds from disposal or property, plant and equipment		13,874	2,189
Proceeds from disposal of investment property		-	(10,361)
Acquisition of investment property		-	372
Advance receipt from disposal of non-current assets held for sale		211,037	88,824
Acquisition of intangible assets	VI (VIII)(XXIX)	(1,212)	(996)
Refundable deposits paid (listed in “Other non-current assets”)	VI(IX)	(6,284)	(1,478)
Refundable deposits refunded (listed in “Other non-current assets”)		5,727	10,362
Increase in other non-current assets		(31,716)	(26,167)
Net cash used in investing activities		(41,689)	(293,851)
Cash Flow from Financing Activities			
Increase in short-term loans	VI (XXX)	1,400,000	1,240,000
Decrease in short-term loans	VI (XXX)	(1,400,000)	(1,240,000)
Increase in long-term borrowings	VI (XXX)	650,000	2,212,500
Repayment in long-term borrowings	VI (XXX)	(1,224,000)	(2,389,500)
Increase in guarantee deposits received (listed in “Other current liabilities”and“Other non-current liabilities”)	VI (XXX)	21,849	10,337
Decrease in guarantee deposits received (listed in“Other current liabilities”and “Other non-current liabilities”)	VI (XXX)	(18,059)	(11,878)
Repayment of principal of lease liabilities	VI (XXX)	(25,325)	(24,419)
Cash dividends paid	VI (XVIII)	(494,000)	(494,000)
Net cash used in financing activities		(1,089,535)	(696,960)
Decrease in cash and cash equivalents		(65,790)	(1,751)
Beginning of year cash and cash equivalents		202,826	204,577
End of year cash and cash equivalents		$ 137,036	$ 202,826

Please refer to the accompanying notes to the financial statements as they are an integral part of the consolidated financial report.

Chairman: Fang-Cheng Chang Managerial Officer: Fang-Cheng Chang Principal Accounting Officer: Ming-Hung Hsieh

Sunny Friend Environment Technology Co.,Ltd.
Notes to Standalone Financial Statement
December 31, 2025 and 2024

Unit: NT$1,000
(Unless otherwise specified)

I. Company history

Sunny Friend Environmental Technology Co., Ltd. (hereinafter referred to as the "Company") was established in Taiwan on November 29, 1994. Originally named as "Sunny Friend Waste Treatment Co., Ltd.", the Company was renamed to the current name at the shareholders' meeting in May 2001. The main areas of business of the Company cover:

1. Medical waste incineration.
2. Treatment of hazardous business waste, infectious medical waste, general waste and general business waste.
3. Installation engineering for waste cleaning equipment. Environmental engineering consulting.
4. Manufacturing of pollution control equipment.
5. Specialized construction for environmental protection engineering.

The Company's stock has been listed in the Taiwan Stock Exchange since March 23, 2015.

II. Date and Procedures for Passing the Financial Report

The accompanying parent company only financial statements were approved and authorized for issuance by the board of directors on March 5, 2026.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact from adopting the newly released and revised International Financial Reporting Standards recognized by the Financial Supervisory Commission.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized by the Financial Supervisory Commission in 2025:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendment to IAS No. 21 "Lack of Convertibility"	January 1, 2025

The Corporate Company believes that the adoption of aforementioned IFRSs will not have a significant effect on financial position and performance.

(II) Impact of the newly released and amended IFRS recognized by the FSC not yet adopted by the Company

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized by the Financial Supervisory Commission in 2026:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 regarding "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 - Insurance contracts	January 1, 2023
Amendment 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

The Corporate Company believes that the adoption of aforementioned IFRSs will not have a significant effect on financial position and performance.

(III) IFRSs issued by the IASB but not yet recognized by the FSC

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards issued by the IASB but not yet recognized by the FSC:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027(Note)
Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosure"	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note: On September 25, 2025, the Financial Supervisory Commission (FSC) announced in a press release that public companies will be required to apply International Financial Reporting Standard 18 (IFRS 18) starting from fiscal year 2028. In addition, entities that wish to apply IFRS 18 earlier may do so upon the FSC's endorsement of the standard.

The Corporate Company believes that the adoption of aforementioned IFRSs will not have a significant effect on financial position and performance.

IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 "Presentation and Disclosures in Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income, adds disclosures on management performance measurement, and strengthens the summary and segment principles applied to the main financial statements and notes.

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

These parent company only financial statements of the Company have been prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers."

(II) Basis of preparation

1. These parent company only financial statements have been prepared under the historical cost convention.

2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note V.

(III) Foreign currency translation

Items included in each of the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (hereinafter referred to as the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency and reporting currency.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated using the spot exchange rate at the balance sheet date. Exchange differences arising from re-translation at the balance sheet date are recognized in profit or loss.

(3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated using spot exchange rate at the balance sheet date. Their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated using spot exchange at the balance sheet date. Their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(4) All foreign exchange gains and losses are presented in the statement of comprehensive income within "Other gains and losses."

2. Translation of foreign operations

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

(1) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.

(2) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.

(3) All resulting exchange differences are recognized in other comprehensive income.

(IV) Classification of current and non-current items

1. Assets that meet one of the following criteria are classified as current assets:

   (1) Assets arising from operating activities that are expected to be realized or are intended to be sold or consumed within the normal operating cycle.
   (2) Assets held mainly for trading purposes.
   (3) Assets that are expected to be realized within twelve months from the balance sheet date.
   (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

   Those that do not meet the above criteria are considered non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

   (1) Liabilities that are expected to be paid off within the normal operating cycle.
   (2) Assets held mainly for trading purposes.
   (3) Liabilities that are to be paid off within twelve months from the balance sheet date.
   (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

   Those that do not meet the above criteria are considered non-current.

(V)Financial assets measured at amortized cost

1. Refer to those that meet the following criteria at the same time:

   (1) The objective of the business model is achieved by collecting contractual cash flows.
   (2) The assets' contractual cash flows solely represent payments of principal and interest.

2. On a regular way purchase or sale basis, financial assets measured at amortized cost are recognized and de-recognized using trade date accounting.

3. The Company measures financial assets at fair value plus transaction costs in the initial recognition. The financial assets are subsequently amortized by the effective interest rate during the circulation to recognize interest income and impairment loss. The profits or losses are recognized in the profit and loss when the assets are derecognized.

4.The Company holds time deposits that are not considered cash equivalents. Due to the short holding period, the impact of discounting is insignificant and is measured by the amount of investment.

(VI)Accounts and notes receivable

1. Refers to accounts and notes that have been unconditionally charged for the right to exchange the value of the consideration due to the transfer of goods or services.

2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(VII)Leasing transactions of lease - operating lease

Rent incomes under an operating lease, net of any incentives to the lessee, are recognized in profit or loss on a straight-line basis over the lease term.

(VIII) Impairment of financial assets

Regarding the financial assets measured at amortized cost, the Company considers all reasonable and supportable information (including forward-looking ones) and measure the loss allowance based on the 12-month expected credit losses for those that do not have their credit risk increased significantly since initial recognition. For those that have increased significantly since their initial recognition, the loss allowance is measured based on the full lifetime expected credit losses.

(IX)De-recognition of financial assets

A financial asset is derecognized when the Company's rights to receive cash flows from the financial assets have expired.

(X) Investments accounted for using equity method - Subsidiaries

1. Subsidiaries are all entities (including structured entities) controlled by the Company.

   The Company controls an entity when the Company 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.

2. Unrealized gains or losses on transactions between Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

3. The Company recognized the profit and loss upon the acquisition of subsidiaries as the current profit and loss. Other comprehensive profit and loss after the acquisition are recognized as the other comprehensive profit and loss. If the Company's recognized profit and loss of the subsidiaries is equal to or exceeds the equity in the subsidiaries, the Company will continue to recognize the loss in proportion to its shareholding.

4. When a subsidiary experiences any change in equity other than profit or loss and other comprehensive income, without affecting the shareholding ratio in such subsidiary, the Company recognizes the change in equity as "capital reserve" based on the shareholding ratio.

5. When a subsidiary issues additional new shares, if the Company fails to subscribe or acquire the same pro rata, and thus its investment percentage changes still with significant influence over the subsidiary, any increase/decrease arising from such changes in the net value of the equity will be adjusted into "capital reserve" and "investment under equity method. If the investment percentage is reduced, except for the above adjustment, where the profit or loss related to the decrease in equity of such ownership is previously recognized in other comprehensive income, and such profit or loss must be reclassified as profit or loss when the relevant assets or liabilities at the disposal, a reclassification to profit and loss pro rata is required.

6. Pursuant to the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers,” the profit or loss during the period and other comprehensive income presented in the parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to the owners of the parent company presented in the financial reports prepared on a consolidated basis and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

(XI) Non-current assets held for sale

When the carrying amount in non-current assets is mainly recovered through sales rather than continued operations and is highly likely to be sold, it is classified as assets available for sale and is measured at the lower carrying amount and fair value less costs to sell.

(XII) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply the 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.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. 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 changes are 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:

Houses and buildings (including ancillary equipment)	2 years	to	55 years
Machinery and equipment	2 year	to	20 years
Transportation equipment	2 year	to	10 years
Office equipment	2 years	to	10 years
Other equipment	2 year	to	20 years

(XIII) Leasing agreements (lessee) - Right-of-use assets/lease liabilities

1. Leases are recognized as right-of-use assets and lease liabilities at the date at which the leased assets are available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
2. 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 include fixed payments, less any lease incentives receivables, and variable lease payments that depend on an index or a rate. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is re-measured and the amount of re-measurement is recognized 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.

3. At the commencement date, the right-of-use asset is recognized at cost, comprising the amount in initial measurement of the lease liability and any lease payments made at or before the commencement date. 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 service life or the end of lease term. When the lease liability is re-measured, the amount of re-measurement is recognized as an adjustment to the right-of-use asset.

(XIV) Intangible assets

1. Concession is initially recorded at cost and is amortized over the quantity to be disposed of.
2. Computer software is recognized at the cost of acquisition, and amortized based on the estimated useful life of 1 to 3 years based on the straight-line method.

(XV) Impairment of non-financial assets

The Company 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 recognized 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 recognizing 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 amortized historical cost would have been if the impairment had not been recognized.

(XVI) Borrowings

Refers to long- and short-term funds borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XVII) Accounts and notes payable

1. Refers to debts incurred as a result of the purchase of raw materials, goods or services and the notes payable due to business and non-business purposes.
2. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XVIII) De-recognition of financial liabilities

The Company derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled or expired.

(XIX) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(XX) Provisions

1. Preparation cost for rehabilitation

The environmental impact of the physical properties of waste will naturally decrease over time after solidification and burying of waste. The cost for site rehabilitation is estimated based on the Company's experience. The quantity processed per month is multiplied by cost per ton to rehabilitate the site as the preparation for future rehabilitation.

2. Provisions for landfills

There is an obligation to properly bury the collected waste, and a liability provision is recognized for monthly tonnes processed multiplied by the estimated landfill cost per tonne.

(XXI) Employee benefits

1. 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 recognized as expenses in that period when the employees render service.

2. Pension

Defined contribution plans

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

3. Employees' remuneration and directors' remuneration

Employees' bonuses and directors' remuneration are recognized 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. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXII) Employee share-based payments

1. The share-based payment agreement for delivery of equity is a transaction in which employees' labor service is received as consideration for the Company's equity instrument at fair value. It is recognized as compensation costs during the vesting period, and the equity is adjusted accordingly. The fair value of the equity instrument shall reflect the effects of vesting and non-vesting conditions of market value. The recognized remuneration costs are adjusted in accordance with the expected service conditions to be met and the non-vesting market value conditions, until the final recognized amount is recognized with the vesting amount on the vesting date.
2. The cash-settled share-based payment agreement is the fair value of the liabilities assumed recognized as remuneration costs and liabilities within the vesting period, and is measured at a fair value of the equity instrument on each balance sheet date and settlement date. Any changes in fair value are recognized in profit or loss for the period.

(XXIII) Income taxes

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates 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.
3. Deferred income tax is recognized, 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 income 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. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts. There is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities. The same taxation authority levies them on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXIV) 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.

(XXV) Dividend distribution

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.

(XXVI) Revenue recognition

Sales of services

The Company provides waste transportation and disposal and other related services. Sales of services is recognized as income during the financial reporting period in which the services are provided to customers. The revenue from fixed-price contracts is determined by multiplying the amount of waste actually processed by the unit price on the contract as of the balance sheet date. Customers pay the contract price in accordance with the payment schedule agreed upon. When the services already provided by the Company exceed the customers' payable, they will be considered as contract assets. If the customers' payables exceed the services already provided by the Company, they will be considered to be contract liabilities.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of these parent company only financial statements requires the management to make critical judgments in applying the Company'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.

VI. Statements of Major Accounting Items

(I) Cash

	December 31, 2025	December 31, 2024
Petty cash	$ 285	$ 285
Demand deposit	136,751	202,541
	$ 137,036	$ 202,826

1. The Company associates 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.
2. The Company pledged cash and cash equivalents of $9,670 and $11,155, for the years ended December 31, 2025 and 2024, respectively, to “Financial assets at amortized cost -Non current” based on their liquidity. Please see Note VI(II) and VIII for description.
3. The Company’s time deposits held for more than one year on December 31, 2025 and 2024 were $251 and $251 based on liquidity in “financial assets at amortized cost – non-current”. Please see Note VI(II) for description.

(II) Financial assets measured at amortized cost

Items	December 31, 2025	December 31, 2024
Non-current items:		
Time deposits with a maturity of more than 1 year	$ 251	$ 251
Pledged time deposits	9,670	11,155
	$ 9,921	$ 11,406

1. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	2025	2024
Interests income	$ 176	$ 298

2. While not considering the collaterals or other credit enhancements, the financial assets at amortized cost held by the Company had the maximum exposure of credit risk at $9,921 and $11,406 as of December 31, 2025 and 2024, respectively.

3. Please see Note XII (II) for the credit risk information related to financial assets at amortized cost. The Company's investment in time deposit certificates involves a transaction counterparty who is a financial institution with good credit quality, so it expects that the probability of counterparty default is remote.

4. Please see Note VIII how the Company provides financial assets at amortized cost as a pledged collateral.

(III) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 479	$ 5,826
Less: Loss allowance	(4)	(2)
	$ 475	$ 5,824
Accounts receivable	$ 27,356	$ 162,157
Less: Loss allowance	(101)	(52)
Sub-total	27,255	162,105
Accounts receivable- related parties	43,301	92,549
	$ 70,556	$ 254,654

1. The Company held guarantee deposits received of $39,849 and $36,059 on December 31, 2025 and 2024, respectively, for accounts receivable, which are recognized under "Other current liabilities."

2. Aging of notes and accounts receivable(including related parties) are as follows:

	December 31, 2025		December 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 479	$ 70,657	$ 5,826	$ 254,706

The above is an aging report based on the number of days past due.

3. As of December 31, 2025 and 2024, notes receivable and accounts receivable were from contracts with customers. The balances of notes receivable and accounts receivable(related parties) as of January 1, 2024 were $2,405 and $208,833, respectively.

4. While not considering the collaterals or other credit enhancements, the maximum credit risk exposure amount that best represents the Company's notes receivable as of December 31, 2025 and 2024 were $475 and $5,824, respectively; the maximum exposure amount of the credit risk on December 31, 2025 and 2024 was $70,556 and $254,654 respectively.

5. Please see Note XII (II) for the information related to credit risk.

(IV) Investments accounted for using equity method

1. The details of long-term equity investments are shown as follows:

Investee	December 31, 2025 Amount recognized	%	December 31, 2024 Amount recognized	%
Subsidiaries:				
Chin Hsin Environmental Engineering Co., Ltd. (Chin Hsin)	$ 599,023	57.42	$ 618,304	57.42
Full Giant Resources Ltd. (Full Giant)	3,760,191	100.00	4,032,193	100.00
	$ 4,359,214		$ 4,650,497	

2. Investments profit or loss recognized by the equity method for 2025 and 2024 are shown as follows:

Investee	2025	2024
Chin Hsin	$ 142,251	$ 126,443
Full Giant	(256,633)	(283,865)
	($ 114,382)	($ 157,422)

3. The Company's subsidiary, Chin Hsin, was listed on the innovative board on June 18, 2024, and quoted in the public market. Its fair value on December 31, 2025 and 2024 were $ 1,960,015 and $ 1,928,317 ,respectively.

4. For information on the Company's subsidiaries, please refer to Note IV (III) of 2025 consolidated financial statements.

5. The Company's third-tier subsidiary Beijing Ruentex signed an equity transfer agreement with an unrelated party in January 2024. Beijing Ruentex purchased 10% of the equity of Rizhao Panyue for RMB 20,000. Beijing Ruentex's shareholding increased from 80% to 90%, and the Company's direct and indirect holdings of Rizhao Panyue's equity increased from 90% to 100%. The capital surplus - difference between the fair value of the consideration paid or received from acquiring or disposing of subsidiary and the carrying amounts of the subsidiary of $27,098 was recognized. For details on transactions with non-controlling interests, please refer to Note VI (XXVII).

6. For the purpose of issuing new shares for public underwriting before the IPO, the board resolution of the meeting held on March 28, 2024 approved a cash capital increase by issuing 6,000 thousand shares at $45 per share for the Company's subsidiary, Chin Hsin Environmental Engineering. All shares are ordinary shares. June 14, 2024 is the base date of capital increase, and the change registration is completed on July 11, 2024. The company did not subscribe to the shares in proportion to the shareholding percentage, so the shareholding dropped to 57.42%, and recognized a change of $127,045 in ownership interest, capital reserves - recognized changes in ownership interests in the subsidiary. For details on transactions with non-controlling interests, please refer to Note VI (XXVII).

7. In order to improve the group's operating synergy, management costs and operational efficiency, the Company's subsidiary Full Giant conducted organizational restructuring of its holding of Rizhao Panyue and Beijing Ruentex, held by the Company's subsidiary Arise. The restructuring has been approved by the board resolution of the Company's subisidary Rizhao Panyue on October 1, 2024, with Beijing Ruentex acquiring 10% equity of Rizhao Panyue held by Full Giant for RMB 20,000.

8. Chin Hsin, a subsidiary of the Company, purchased 1,000 thousand shares of Huan Hsin at $5 in December 2024, increasing the shareholding from 66.67% to 100%. The capital surplus - difference between the fair value of the consideration paid or received from acquiring or disposing of subsidiary and the carrying amounts of the subsidiary of $3,011 was recognized. For details on transactions with non-controlling interests, please refer to Note VI (XXVII).

   The board resolution on December 27, 2024 approved the subsidiary Chin Hsin's short-form merger with Huan Hsin in accordance with the Business Mergers and Acquisitions Act in order to strengthen its business management. The merger record date is February 3, 2025. The process has been completed.

9. On December 6, 2024, the Board of Directors of the Company’s subsidiary Beijing Ruentex resolved to convert its receivables of RMB 42,000 thousand arising from funds lent to Rizhao Panyue into capital. In addition, on September 26, 2025, the Board of Directors resolved to carry out a cash capital increase of RMB 10,000 thousand for Rizhao Panyue and to convert the remaining receivables of RMB 38,937 thousand arising from funds lent to it into capital, totaling RMB 90,937 thousand. The capital increase reference date was September 26, 2025. The change registration was completed on December 1, 2025.

10. The resolution of the Company's Board at the meeting held on September 24, 2024 approved the subsidiary Full Giant's capitalization of debt from its funds lent to its subsidiary in China. It is estimated that the capitalization amount for Suqian Ruentex will be USD 13,500 thousand, that for Yuncheng Ruentex will be USD 8,500 thousand and RMB 175,950 thousand, and that for Beijing Ruentex will be USD 3,800 thousand.

    For the aforementioned debt-for-equity swap of Suqian Ruentex, approval was obtained from the Department of Investment Review, Ministry of Economic Affairs on November 28, 2024. The capital increase base date was April 25, 2025, and the change registration was completed on September 19, 2025.

    For debt-for-equity swap of Yuncheng Ruentex, approval was obtained from the Department of Investment Review, Ministry of Economic Affairs on November 28, 2024. The capital increase base date was March 18, 2025, and the change registration was completed on May 15, 2025.

    For debt-for-equity swap of Beijing Ruentex, approval was obtained from the Department of Investment Review, Ministry of Economic Affairs on September 3, 2025. The capital increase base date was September 8, 2025, and the change registration was completed on December 30, 2025.

11. The Company resolved to withdraw from the investment project of its subsidiary, Langfang, as the project could not proceed due to the lack of suitable land and overall planning considerations. The cancellation procedure was completed on March 13, 2025. On July 22, 2025, the Ministry of Economic Affairs Investment Commission approved the revocation of the aforementioned investment (Approval No. Jing-Shou-Shen-Zi 11420125170). The investment funds have been repatriated to Full Giant.

12. For 2025 and 2024, the Company received dividend income of $100,378 and $62,075, respectively, for investing in its subsidiary Chin Hsin.

13. The Company has not pledged the investments that use the equity method.

(V)Property, plant and equipment

	2025								
	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease assets	Unfinished construction and equipment to be inspected	Total
January 1									
Cost	$ 748,488	$ 1,175,419	$ 1,237,800	$ 160,136	$ 33,346	$ 1,187,996	$ 834	$ 619,026	$ 5,163,045
Accumulated depreciation	-	(356,027)	(802,361)	(105,032)	(29,675)	(577,131)	(74)	-	(1,870,300)
	$ 748,488	$ 819,392	$ 435,439	$ 55,104	$ 3,671	$ 610,865	$ 760	$ 619,026	$ 3,292,745
January 1	$ 748,488	$ 819,392	$ 435,439	$ 55,104	$ 3,671	$ 610,865	$ 760	$ 619,026	$ 3,292,745
Additions	-	9,519	5,450	5,542	2,142	5,749	-	211,636	240,038
Disposals of cost	-	(3,899)	(18,002)	(5,299)	(1,299)	(12,257)	(834)	-	(41,590)
Disposal of accumulated depreciation	-	3,899	15,123	5,299	1,299	4,074	74	-	29,768
Re-classification	-	26,924	18,478	3,278	70	452	-	(22,761)	26,441
Depreciation expense	-	(55,473)	(92,896)	(16,632)	(2,041)	(144,837)	-	-	(311,879)
Capitalization of interest	-	-	-	-	-	-	-	24,585	24,585
December 31	$ 748,488	$ 800,362	$ 363,592	$ 47,292	$ 3,842	$ 464,046	$ -	$ 832,486	$ 3,260,108
December 31									
Cost	$ 748,488	$ 1,207,963	$ 1,243,726	$ 163,657	$ 34,259	$ 1,181,940	$ -	$ 832,486	$ 5,412,519
Accumulated depreciation	-	(407,601)	(880,134)	(116,365)	(30,417)	(717,894)	-	-	(2,152,411)
	$ 748,488	$ 800,362	$ 363,592	$ 47,292	$ 3,842	$ 464,046	$ -	$ 832,486	$ 3,260,108

	2024								
	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease assets	Unfinished construction and equipment to be inspected	Total
January 1									
Cost	$ 892,152	$ 1,127,337	$ 1,226,291	$ 160,669	$ 32,942	$ 1,169,502	$ -	$ 505,030	$ 5,113,923
Accumulated depreciation	-	(302,632)	(726,427)	(91,684)	(27,845)	(483,145)	-	-	(1,631,733)
	$ 892,152	$ 824,705	$ 499,864	$ 68,985	$ 5,097	$ 686,357	$ -	$ 505,030	$ 3,482,190
January 1	$ 892,152	$ 824,705	$ 499,864	$ 68,985	$ 5,097	$ 686,357	$ -	$ 505,030	$ 3,482,190
Additions	-	4,369	4,764	3,579	673	4,078	-	232,627	250,090
Disposals of cost	-	(4,970)	(18,293)	(4,748)	(269)	(2,776)	-	-	(31,056)
Disposal of accumulated depreciation	-	4,970	18,154	4,748	269	1,181	-	-	29,322
Re-classification	(143,664)	48,683	25,038	636	-	17,192	834	(139,247)	(190,528)
Depreciation expense	-	(58,365)	(94,088)	(18,096)	(2,099)	(95,167)	(74)	-	(267,889)
Capitalization of interest	-	-	-	-	-	-	-	20,616	20,616
December 31	$ 748,488	$ 819,392	$ 435,439	$ 55,104	$ 3,671	$ 610,865	$ 760	$ 619,026	$ 3,292,745
December 31									
Cost	$ 748,488	$ 1,175,419	$ 1,237,800	$ 160,136	$ 33,346	$ 1,187,996	$ 834	$ 619,026	$ 5,163,045
Accumulated depreciation	-	(356,027)	(802,361)	(105,032)	(29,675)	(577,131)	(74)	-	(1,870,300)
	$ 748,488	$ 819,392	$ 435,439	$ 55,104	$ 3,671	$ 610,865	$ 760	$ 619,026	$ 3,292,745

1. Capitalization of borrowing costs of property, plant and equipment and interest rate range:

	2025	2024
Capitalized amount	$ 24,585	$ 20,616
Capitalized interest rate range	1.56%~2.03%	1.65%~2.01%

2. Information on property, plant and equipment pledged to others as collateral is provided in Note VIII.
3. Please see Note IV (XII) for the depreciation method and service life of the Company's property, plant and equipment.
4. Current transfer for 2025 and 2024, please see Note VI (XXIX) for description.

(VI) Leasing arrangements - lessee

1. The Company leases various assets such as land, houses and buildings. The lease contract periods usually cover 3 to 20 years. Lease contracts are negotiated individually and contain a variety of terms and conditions. Leased assets shall not be sub-leased, lend out, transferred or used by others in any ways or used illegally and there are no other restrictions. In addition, according to the land lease contract, the Company is obligated to restore the land to its original state at the end of the lease term. Please refer to Note VI(XIV) for details regarding the relevant retirement obligations.
2. The lease periods of part of the land, houses and machinery and equipment leased by the Company in 2025 and 2024 did not exceed 12 months.
3. Information of right-of-use assets:

	2025			
	Land	Buildings	Machinery and equipment	Total
January 1				
Cost	$ 491,403	$ 5,096	$ 843	$ 497,342
Accumulated depreciation	(164,782)	(2,718)	(430)	(167,930)
	$ 326,621	$ 2,378	$ 413	$ 329,412
January 1	$ 326,621	$ 2,378	$ 413	$ 329,412
Additions- Add lease	-	-	648	648
Revaluation of lease liabilities	(21,466)	-	-	(21,466)
Depreciation expense	(25,448)	(1,019)	(474)	(26,941)
December 31	$ 279,707	$ 1,359	$ 587	$ 281,653
December 31				
Cost	$ 469,937	$ 5,096	$ 1,491	$ 476,524
Accumulated depreciation	(190,230)	(3,737)	(904)	(194,871)
	$ 279,707	$ 1,359	$ 587	$ 281,653

	2024			
	Land	Buildings	Machinery and equipment	Total
January 1				
Cost	$ 473,788	$ 6,031	$ 843	$ 480,662
Accumulated depreciation	(139,818)	(2,509)	(149)	(142,476)
	$ 333,970	$ 3,522	$ 694	$ 338,186
January 1	$ 330,970	$ 3,522	$ 694	$ 338,186
Disposals of cost	-	(935)	-	(935)
Disposal of accumulated depreciation	-	935	-	935
Revaluation of lease liabilities	17,615	-	-	17,615
Depreciation expense	(24,964)	(1,144)	(281)	(26,389)
December 31	$ 326,621	$ 2,378	$ 413	$ 329,412
December 31				
Cost	$ 491,403	$ 5,096	$ 843	$ 497,342
Accumulated depreciation	(164,782)	(2,718)	(430)	(167,930)
	$ 326,621	$ 2,378	$ 413	$ 329,412

4. The information on lease liabilities related to lease contracts is as follows:

	December 31, 2025	December 31, 2024
Total lease liabilities	$ 301,187	$ 347,330
Less: Mature within one year (Listed as Lease liabilities - Current)	(23,490)	(24,749)
	$ 277,697	$ 322,581

5. The information on profit or loss items related to lease contracts is as follows:

Items affecting current profit and loss	2025	2024
Interest expenses on lease liabilities	$ 6,507	$ 6,741
Expenses for short-term lease contracts	1,497	1,423

6. The Company's total cash outflow on leases for 2025 and 2024 were $33,329 and $32,583, respectively.

7. In 2025 and January 2024, the Company, in accordance with contracts, adjusted the right-of-use asset- land and lease liabilities based on changes in announced land value. The revaluation adjustment amounts were $16,355 and $17,615, respectively.

8. The Company completed the reclamation of the four landfill sites in October 2025 and was exempted from future rent for the sites. Therefore, the right-of-use assets – land and lease liabilities were adjusted according to the land lease agreement, with a re-evaluated decrease of $37,821.

(VII)Leasing arrangements - lessor

1.The underlying assets leased by the Company include lands, buildings and their ancillary facilities. The lease contracts expire between March 1, 2024 and February 28, 2029. Not only the assets leased cannot be used as loan collaterals, the rights thereof cannot be transferred to others in the form of business transfers or mergers. However, the Company has sold the above-mentioned leased assets to its subsidiary, Chin Hsin, in November 2024.

Please refer to Note VI (VIII) for details.

2.The Company recognized rental income of $234 and $4,000 in 2025 and 2024, respectively, under the operating lease contract, with no change in lease payments.

(VIII)Non-current assets available for sale - net

The Company's Board of Directors resolved to sell the lands and buildings at Wenxian Road, Tainan City to the subsidiary, Chin Hsin, on November 8,2024. Therefore, the relevant investment properties were reclassified and transferred to non-current assets held for sale.

The aforementioned properties have been entered into a property transaction contract in November 2024, and the Company has commissioned the Chung Hua Real Estate Appraiser & Associates to conduct the appraisal. The total contract price is $ 300,686 (tax included), and the estimated gain from the disposal is $ 64,083. As of December 31, 2024, the advance proceeds from the disposal of buildings and lands totaled $ 88,824.The transfer and delivery of the aforementioned properties have completed in January 2025, and the final payment was received on February 10 of the same year.

The gains from the aforementioned transaction, being an inter-company transaction, are deferred to unrealized gains of $64,083 (listed as debit from "Investments Using the Equity Method"). As of December 31, 2025, and the realized gains amounted to $2,928.

As of December 31, 2024, the balance of non-current assets held for sale is as follows:

1. Non-current assets available for sale

	2024		
	Land	Buildings	Total
Cost	$ 142,690	$ 91,467	$ 234,157
Accumulated amortization	-	(3,072)	(3,072)
	$ 142,690	$ 88,395	$ 231,085

2. The non-current assets held for sale are re-measured at the lower of their carrying amount or fair value less the cost of sale. The fair value above is based on the property transaction contract signed between the two parties.

(IX) Intangible assets

	2025		
	Concession	Computer software	Total
January 1			
Cost	$ 498,416	$ 2,528	$ 500,944
Accumulated amortization	(358,692)	(2,028)	(360,720)
	$ 139,724	$ 500	$ 140,224
January 1	$ 139,724	$ 500	$ 140,224
Additions—From separate acquisition	-	1,212	1,212
Disposals of cost	-	(559)	(559)
Disposal of accumulated depreciation	-	559	559
Amortization expense	(47,918)	(1,289)	(49,207)
December 31	$ 91,806	$ 423	$ 92,229
December 31			

	Concession	Computer software	Total
Cost	$ 498,416	$ 3,181	$ 501,597
Accumulated amortization	(406,610)	(2,758)	(409,368)
	$ 91,806	$ 423	$ 92,229

	2024		
	Concession	Computer software	Total
January 1			
Cost	$ 498,416	$ 2,072	$ 500,488
Accumulated amortization	(321,923)	(1,342)	(323,265)
	$ 176,493	$ 730	$ 177,223
January 1	$ 176,493	$ 730	$ 177,223
Additions－From separate acquisition	-	996	996
Disposals of cost	-	(540)	(540)
Disposal of accumulated depreciation	-	540	540
Amortization expense	(36,769)	(1,226)	(37,995)
December 31	$ 139,724	$ 500	$ 140,224
December 31			
Cost	$ 498,416	$ 2,528	$ 500,944
Accumulated amortization	(358,692)	(2,028)	(360,720)
	$ 139,724	$ 500	$ 140,224

Breakdown of intangible assets amortization:

	2025	2024
Operating costs	$ 48,002	$ 36,873
General and administrative expenses	1,205	1,122
	$ 49,207	$ 37,995

The Company participated in the public bidding for RSEA Engineering Corporation in October 2012 and acquired all the plants, machinery, other equipment and concessions of the company in Changhua Coastal Industrial Park for $1,116,392. The concession enabled the Company to conduct disposal of general business waste and hazardous business waste based on approval document #10120426390 issued by the Ministry of Economic Affairs. The Company recognized the fair value of plant, machinery and other equipment at $617,976 as the acquisition cost. The fair value of concession is $498,416 and the amortization adopts production quantity method.

(X) Other non-current assets

	December 31, 2025	December 31, 2024
Pre-payments for equipment	$ 14,746	$ 9,608
Refundable deposit	71,893	71,336
	$ 86,639	$ 80,944

(XI) Other payables

	December 31, 2025	December 31, 2024
Payroll and bonus payable	$ 86,759	$ 70,865
Payable on equipment	67,734	37,711
Employees' bonuses and directors' remuneration payable	65,604	52,172
Others	47,040	51,760
	$ 267,137	$ 212,508

(XII) Long-term borrowings

	December 31, 2025	December 31, 2024
Secured borrowings	$ 306,500	$ 330,500
Credit loan	2,200,000	2,750,000
	2,506,500	3,080,500
Less: Long-term borrowings maturing within one year(listed in “Long-term liabilities - Current portion”)	(24,000)	(99,000)
	$ 2,482,500	$ 2,981,500
Range of interest rate	1.85%~1.94%	1.85%~2.08%

1. The Company signed a new credit agreement with Chang Hwa Bank on July 27, 2023. The loan period is from August 1, 2023 to September 29, 2026. The aforementioned loan was repaid in August 2025.

   In addition, on August 29, 2025, the Company entered into a new credit facility agreement with Chang Hwa Bank, with a credit period from August 29, 2025 to August 29, 2028, with a total credit limit of $300,000. As of December 31, 2025, the facility has been fully utilized. Ratification topics are as follows:

   The Company should maintain a total average balance of demand deposits of more than $8,000 every three months. The balance is reviewed every three months after the loan. If the balance is not achieved, an additional 0.39% will be added to the interest rate originally approved.

2. The Company entered into a credit agreement with First Commercial Bank of Taiwan on October 21, 2024. The credit period was from October 18, 2024 to October 18, 2026.The loan was repaid in October and December 2025.

   On August 22, 2025, a new credit agreement was signed with First Commercial Bank. The credit period was from August 22, 2025 to August 22, 2027, and the total credit amount was $1,100,000, of which $850,000 had been drawn as of December 31, 2025.Ratification topics are as follows:

   The Company and its subsidiaries Chin Hsin, Liang Wei and Cheng Shin, should maintain a total average balance of demand deposits of more than $60,000 every nine months. The balance is reviewed every half a year after the loan. If the balance is not achieved, an additional 0.05% will be added to the interest rate originally approved.

3. Please see Note VIII for the collaterals provided by the Company for the long-term borrowings.

(XIII) Pensions

1. Effective July 1, 2005, the Company has established a defined contribution pension plan (hereinafter referred to as the “New Plan”) under the Labor Pension Act (hereinafter referred to as the “Act”), covering all regular employees with domestic citizenship. Under the New Plan, the Company contribute monthly 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 a lump sum upon the termination of employment.
2. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were $15,510 and $14,064, respectively.

(XIV) Provisions - Non-current

	2025	2024
Balance on January 1	$ 26,080	$ 35,925
Provision added this period	13,017	5,373
Realized for the period	(9,833)	(15,218)
Balance on December 31	$ 29,264	$ 26,080

The analysis of provisions is as follows:

	December 31, 2025	December 31, 2024
Current	$ 10,873	$ 20,707
Non-current	$ 18,391	$ 5,373

The provision recognized by the Company is in accordance with the officially announced policies and the applicable contracts or regulatory requirements and is detailed below:

The Company is obliged to rehabilitate the landfill location of the Changhua Coastal Industrial Park. Therefore, the present value of the cost expected to rehabilitate the location is recognized as a provision. For 2025 and 2024, the costs recognized by the Company were $13,017 and $5,373, respectively.

(XV) Share-based payment

1. The Company’s share-based payment in 2024 is agreed upon as follows:
   (1) The Company's subsidiary, Chin Hsin, issued 6,000 thousand new shares through a cash capital increase approved by the board on March 28, 2024. It retained 15% of the shares to be subscribed by employees of controlled or affiliated companies meeting certain criteria. Therefore, 900 thousand shares were allocated to the Company's employees, and the subscription price was $45 per share. The share-based payment is agreed as follows:

Type of arrangement	Grant date	Total quantity granted (shares)	Contract period	Vesting conditions
Cash capital increase reserved for employee subscription	2024.06.14	900,000	None	Immediate vesting

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

(2) The detailed information of the above share-based payment is as follows：

	2024	
	Number of options (shares)	Weighted average exercise price (NT$)
Options outstanding as of January 1	-	$ -
Share options granted this period	900,000	45
Share options exercised this period	(733,000)	45
Share options foregone this period	(167,000)	45
Options outstanding as of December 31	-	-
Options exercisable as of December 31	-	-

(3) The share-based payment transactions use the Active open market quotes, and consider the liquidity discount to calculate the fair value per share. Then the Black-Scholes option evaluation model is applied to estimate the fair value of the stock option. The relevant information is shown as follows:

Type of arrangement	Grant date	Net worth per share (NT$)	Exercise price (NT$)	Expected volatility	Expected duration	Expected dividend	Risk-free rate	Fair value per unit (NT$)
Cash capital increase reserved for employee subscription	2024.06.14	$53.3	$45	26.56%	0.02year	-	1.30%	$8.3

2. The expenses recognized by the company for share-based payments from 2024 is $3,735.

(XVI) Capital

1. As of December 31, 2025, the Company's authorized capital was $1,500,000, consisting of 130,000 thousand shares of ordinary stock, and the paid-in capital was $1,300,000 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

2. The number of outstanding common stock at the beginning and the end of the period is as follows：

	2025	2024
January 1/ December 31	130,000 thousand shares	130,000 thousand shares

(XVII) Capital surplus

1.In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. In addition, the Securities and Exchange Act requires that the amount in capital surplus to be capitalized should not exceed 10% of paid-in capital each year. Capital surpluses should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2.Changes in capital surpluses:

	2025					
	Additional paid-in capital	Fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of the subsidiaries	Changes in ownership interests in subsidiaries recognized	Employee share option	Others - Unclaimed dividends of shareholders	Total
January 1 / December 31	$ 2,397,186	$ 52,690	$ 137,835	$ -	$ 716	$ 2,588,427

	2024					
	Additional paid-in capital	Fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of the subsidiaries	Changes in ownership interests in subsidiaries recognized	Employee share option	Others - Unclaimed dividends of shareholders	Total
January 1	$ 2,523,451	$ 23,863	$ 10,790	$ -	$ 716	$ 2,558,820
Distribution of cash from capital surplus	(130,000)	-	-	-	-	(130,000)
Changes in shareholders' equity of subsidiaries not recognized according to shareholding ratio	-	-	127,045	-	-	127,045
Cash capital increase reserved for employee subscription	-	-	-	3,735	-	3,735
Exercise of employee stock options	3,735	-	-	(3,735)	-	-
Changes in non-controlling interest	-	28,827	-	-	-	28,827
December 31	$ 2,397,186	$ 52,690	$ 137,835	$ -	$ 716	$ 2,588,427

(XVIII) Retained earnings

1. In accordance with the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to offset prior years' operating losses and pay all taxes. Then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The Company shall set aside or reverse special reserve in accordance with the related laws or competent authority. The appropriation

of the remaining earnings, along with the beginning unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.

2. Pursuant to Article 240 of The Company Act, the Company may authorize the board of directors to distribute dividends, profit-sharing, legal reserve and capital reserve (subject to compliance with Article 241 of The Company Act) wholly or partially in cash. Such decisions must be approved in a board meeting with at least two-thirds of directors present and supported by more than half of attending directors, and reported during a shareholder meeting afterwards.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted. The distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
5. On February 27, 2025 and February 23, 2024, the Company's board resolved to distribute the dividends of 2024 and 2023 in cash for $494,000 and $364,000, respectively. In addition, on May 27, 2025 and May 24, 2024, the shareholders' meeting resolved to approve the earning distribution proposal for 2024 and 2023. Details are summarized below:

(1) The earnings distribution proposals for 2024 and 2023 are summarized below:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Provisions for Legal reserve	$ 48,020	$ -	$ 40,856	$ -
(Reversal) provisions for special reserve	(89,777)	-	49,713	-
Cash dividends	494,000	3.80	364,000	2.80
Total	$ 452,243		$ 454,569	

(2) As proposed by the Board of Directors on February 23, 2024, the Company distributed cash dividend of $1 per share based on capital surplus – issue premium, totaling $130,000. This was reported at the shareholders' meeting on May 24, 2024.

6. The appropriations of 2025 earnings were proposed by the Board of Directors on March 5, 2026. Details are summarized below:

	2025	
	Amount	Dividends per share (in dollars)
Provisions for legal reserve	$ 58,286	$ -
Provisions for special reserve	15,368	-
Cash dividends	520,000	4.00
Total	$ 593,654	

(XIX) Operating revenue

	2025	2024
Revenue from contracts with customers	$ 2,671,170	$ 2,264,184

1. Segmentation of revenue from contracts with customers

The Company's revenue can be divided into the following major categories and geographical areas by service and product:

	2025	2024
	Taiwan	Taiwan
	Waste disposal	Waste disposal
Opening balance of contract liabilities recognized in the current period	$ 2,671,170	$ 2,264,184

2. Contract assets and contract liabilities

(1) As of December 31, 2025, December 31, 2024 and January 1, 2024, the Company has not recognized contract assets related to revenue from contracts with customers. The Company has recognized the following contract liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets-current	$ 285,620	$ -	$ -
Contract liabilities-current	$ 36	$ 94	$ 90

(2) Contract liabilities at the beginning of the period recognized as revenue of the period

	2025	2024
Opening balance of contract liabilities recognized in the current period	$ 94	$ 90

3. Please see Note XII (II) for the information related to credit risk.

4. The Company has recognized the revenue from bills that have the waste quantity, commissioned by clients to conduct disposal, multiplied by the contract unit price. Due to the expedient measures taken, there is no need to disclose the remaining contract performance obligations.

(XX) Interests income

	2025	2024
Interest from bank deposits	$ 1,289	$ 971
Interest income from financial assets measured at amortized cost	176	298
Total	$ 1,465	$ 1,269

(XXI) Other income

	2025	2024
Revenue from sales of scraps	$ 2,772	$ 2,728
Revenue from government subsidies	770	4
Rental income	234	4,000
Other income - Others	2,856	4,147
Total	$ 6,632	$ 10,879

(XXII) Other benefits and losses

	2025	2024
Net gain on foreign currency exchange	$ 48	$ 808
Gain on disposal of property, plant and equipment	2,048	453
Loss from disposal of investment property	-	(602)
Gain on disposal of non-current assets available for sale	2,928	-
Depreciation expense of investment property	-	(3,072)
Other losses	(1,000)	(69)
Total	$ 4,024	($ 2,482)

(XXIII) Financial cost

	2025	2024
Interest expenses:		
Bank borrowings	$ 51,259	$ 59,562
Interest expenses on lease liabilities	6,507	6,741
Less: amount of capitalization of assets that	(24,585)	(20,616)
Total	$ 33,181	$ 45,687

(XXIV) Expenses by nature

	2025	2024
Employee benefits expenditure	$ 467,100	$ 417,964
Disposal expense	459,864	286,254
Depreciation expenses on property, plant and equipment	311,879	267,889
Consumables	155,220	154,146
Repairs	108,463	94,115
Water, electricity and gas utilities	98,714	90,335
Amortization expense	49,207	37,995
Depreciation expenses for right-of-use assets	26,941	26,389
Expected loss (reversal gain) on credit impairment	51	(19)
Other expenses	130,132	116,605
Operating costs and operating expenses	$ 1,807,571	$ 1,491,673

(XXV) Employee benefits expenditure

		2025		2024
Payroll expenses	$	385,979	$	342,247
Employee stock option compensation expense		-		3,735
Labor and health insurance fees		32,696		29,512
Pension costs		15,510		14,064
Directors' remuneration		12,856		10,279
Other personnel expenses		20,059		18,127
	$	467,100	$	417,964

1. According to the Articles of Incorporation of the Company, a portion of the distributable profit of the current year, after covering accumulated losses, shall be allocated as employees' compensation and directors' and supervisors' remuneration. Employees' compensation shall be 7% of the distributable profit, and directors' remuneration shall not exceed 1.4%.On May 27, 2025, the shareholders' meeting resolved to amend the Articles of Incorporation, stipulating that at least 30% of the employee bonus allocation shall be distributed to entry-level employees. The aforementioned employee compensation may be distributed in the form of shares or cash, and recipients may include employees of subsidiaries who meet certain criteria.
2. For years ended December 31, 2025 and 2024, employee compensation was estimated to be $55,563 and $44,187, respectively, and remunerations for directors for the two years were estimated to be $10,041 and $7,985, respectively. The abovementioned remunerations for directors are recognized as directors' remunerations under the employee benefit expenses.

   The employees' compensation and directors' remuneration were estimated and accrued based on 7% and 1.265% of the profit of the current year distributable for the year ended December 31, 2025, respectively, with the estimated amount in line with the resolution of the board of directors, The aforementioned employee remuneration will be distributed in cash.

   The employee compensation and directors' remuneration resolved by the Board of Directors for 2024 were $44,187 and $7,985, respectively, consistent with the amount recognized in the 2024 financial report. The employee compensation and directors' remuneration were distributed in the form of cash in June 2025, respectively.

   Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXVI) Income taxes

1. Income tax expense

Components of income tax expense:

	2025	2024
Current tax:		
Current tax on profits for the year	$ 191,645	$ 155,468
Land value increment tax	66	-
Additional tax on undistributed earnings	1,398	-
Under (over) the provision of prior year's income tax	5,180	(1,949)
Total current tax	198,289	153,519
Deferred income tax:		
Origination and reversal of temporary differences	(52,997)	(54,654)
Total deferred income tax	(52,997)	(54,654)
Income tax expense	$ 145,292	$ 98,865

2. Reconciliation between income tax expense and accounting profit:

	2025	2024
Tax calculated based on profit before tax and statutory tax rate	$ 145,631	$ 115,814
Additional tax on undistributed earnings	1,398	-
Under (over) the provision of prior year's income tax	5,180	(1,949)
Land value increment tax	66	-
Effects on income tax from tax law statutory adjustments	(17,681)	(25,288)
Fees excluded according to the tax laws	10,688	10,288
Income tax expense	$ 145,292	$ 98,865

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

	2025		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
- Deferred income tax assets:			
Preparation cost for rehabilitation	$ 5,216	$ 637	$ 5,853
Estimated unrealized expenses	-	1,032	1,032
Sub-total	5,216	1,669	6,885
- Deferred income tax liabilities:			
Investment in foreign companies	(54,690)	51,327	(3,363)
Unrealized gain on exchange	(165)	1	(164)
Sub-total	(54,855)	51,328	(3,527)
Total	($ 49,639)	$ 52,997	$ 3,358

	2024		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
- Deferred income tax assets:			
Preparation cost for rehabilitation	$ 7,185	($ 1,969)	$ 5,216
- Deferred income tax liabilities:			
Investment in foreign companies	(111,463)	56,773	(54,690)
Unrealized gain on exchange	(15)	(150)	(165)
Sub-total	(111,478)	56,623	(54,855)
Total	($ 104,293)	$ 54,654	($ 49,639)

4.The Company's income tax returns through 2023 have been assessed and approved by the tax authority.

(XXVII)Non-controlling Interests

1. The Company did not subscribe to the shares in the subsidiary's cash capital increase in proportion to the shareholding percentage.

The board resolution approved the Company's subsidiary Chin Hsin on March 28, 2024 to conduct a cash capital increase to issue new shares, with June 14, 2024 being the record date of capital increase. The Company did not subscribe to the new shares in proportion to the shareholding percentage, which reduced the comprehensive shareholding in Chin Hsin from 66.04% to 57.42%. The transaction increased non-controlling interest of $182,484, and equity attributable to owners of the parent has increased by $127,045. The impact of changes in Chin Hsin's equity attributable to the owners of the parent company in 2024 is as follows:

	2024
Cash	$ 309,529
Increase in carrying amount of non-controlling interest	(182,484)
Capital surplus - Changes in ownership interests in subsidiaries recognized	$ 127,045

2. Acquisition of additional interests in subsidiaries

(1)In December 2024, the subsidiary of the Company, Chin Hsin, purchased additional 33.33% of the issued shares of the Company's sub-subsidiary, Huan Hsin from the non-related party with cash of $5,000. The carrying amount of the non-controlling interests of Huan Hsin, on the date of purchase was $8,011. The transaction decreased the non-controlling interests by $8,011, and the equity attributable to the owners of the parent increased by $3,011.

	2024
Carrying amount of non-controlling interest purchase	$ 8,011
Consideration paid for non-controlling interests	(5,000)
Capital surpluses - Difference between the carrying amount of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of the subsidiaries	$ 3,011

(2)On April 22, 2024, the Company purchased 10% of the equity of third-tier subsidiary Rizhao Panyue, for RMB 20,000. The carrying amount of the non-controlling interests of Rizhao Panyue, on the date of purchase was $27,189. The transaction decreased the non-controlling interests by $27,189, and the equity attributable to the owners of the parent increased by $27,098.

	2024
Carrying amount of non-controlling interest purchase	$ 27,189
Consideration paid for non-controlling interests	(91)
Capital surpluses - Difference between the carrying amount of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of the subsidiaries	$ 27,098

(XXVIII) Earnings per share

	2025		
	Amount after tax	Number of ordinary shares outstanding at the end of period (thousand)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 582,865	130,000	$ 4.48
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 582,865	130,000	
Employees' bonus assumed conversion of all dilutive potential ordinary shares.	-	661	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 582,865	130,661	$ 4.46

	2024		
	Amount after tax	Number of ordinary shares outstanding at the end of period (thousand)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 480,203	130,000	$ 3.69
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 480,203	130,000	
Employees' bonus assumed conversion of all dilutive potential ordinary shares.	-	587	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 480,203	130,587	$ 3.68

(XXIX) Supplemental cash flow information

1. Investing activities with partial cash payments:

	2025	2024
Purchase of property, plant and equipment(including interest capitalization)	$ 264,623	$ 270,706
Add: Opening balance of payables on equipment	37,711	124,870
Less: Ending balance of payables on equipment	(67,734)	(37,711)
Cash paid during the year	$ 234,600	$ 357,865

	2025	2024
Proceeds from non-current assets available for sale	$ 299,861	$ 299,861
less:Cash received	(88,824)	-
less: proceeds not yet received	-	(211,037)
Cash received in the current period	$ 211,037	$ 88,824

2. Business and investment activities that do not affect cash flow:

	2025	2024
(1) Other non-current assets transferred to property, plant and equipment	$ 26,578	$ 34,721
(2) Property, plant and equipment transferred to other non-current assets	$ -	$ 417
(3) Property, plant and equipment transferred to Investment property	$ -	$ 224,770
(4) Investment property transferred to Non-current assets held for sale	$ -	$ 231,085
(5) Property, plant and equipment transferred to Operating expenses	$ 137	$ 62

(XXX)Changes in liabilities arising from financing activities

-

	2025				
	Short-term notes payable	Lease liabilities - Current and non-current	Non-current liabilities (Guarantee deposit received)	Long-term loan (current portion)	Total liabilities arising from financing activities
January 1	$ -	$ 347,330	$ 36,186	$ 3,080,500	$ 3,464,016
Increase in cash flows from financing activities	1,400,000	-	21,849	650,000	2,071,849
Decrease in cash flows from financing activities	(1,400,000)	(25,325)	(18,059)	(1,224,000)	(2,667,384)
Lease liability revaluation	-	(21,466)	-	-	(21,466)
Additions to non-cash payments	-	648	-	-	648
December 31	$ -	$ 301,187	$ 39,976	$ 2,506,500	$ 2,847,663

	2024				
	Short-term notes payable	Lease liabilities - Current and non-current	Non-current liabilities (Guarantee deposit received)	Long-term loan (current portion)	Total liabilities arising from financing activities
January 1	$ -	$ 354,134	$ 37,727	$ 3,257,500	$ 3,649,361
Increase in cash flows from financing activities	1,240,000	-	10,337	2,212,500	3,462,837
Decrease in cash flows from financing activities	(1,240,000)	(24,419)	(11,878)	(2,389,500)	(3,665,797)
Lease liability revaluation	-	17,615	-	-	17,615
December 31	$ -	$ 347,330	$ 36,186	$ 3,080,500	$ 3,464,016

VII. Related-Party Transactions

(I) Name and relationship of the related parties

Name	Relationship with the Company
Chin Hsin Environmental Engineering Co., Ltd. (Chin Hsin)	Subsidiary of the Company
Full Giant Resources Ltd. (Full Giant)	Subsidiary of the Company
Arise Profits Ltd.(Arise)	The company's second-tier subsidiary
Cheng Shin Environmental Engineering Co., Ltd. (Cheng Shin)	The company's second-tier subsidiary
Liang Wei Environmental Engineering Co., Ltd. (Liang Wei)	The company's second-tier subsidiary
Huan Hsin Precision Co., Ltd.(Huan Hsin)	The company's second-tier subsidiary(Note1)
Langfang Ruentex Environmental Technology Co., Ltd. (Langfang Ruentex)	The company's second-tier subsidiary(Note2)
Beijing Ruentex Environmental Technology Co., Ltd. (Beijing Ruentex)	The company's third-tier subsidiary
Jiangsu Suqian Ruentex Environmental Co., Ltd. (Suqian Ruentex)	The company’s fourth-tier subsidiary
Yuncheng Ruentex Environmental Technology Co., Ltd. (Yuncheng Ruentex)	The company’s fourth-tier subsidiary
Rizhao Panyue Environmental Technology Co., Ltd.(Rizhao Panyue)	The company’s fourth-tier subsidiary
Ruentex Materials Co., Ltd. (Ruentex Materials)	Second-tier subsidiary of the company which invests in the Company by using the equity method
Shung Shing Enterprise Co., Ltd. (Shung Shing Enterprise)	Other related party

Note 1: To strengthen its management, subsidiary Chin Hsin merged with Huan Shin adopted the streamlined merger method in accordance with the Business Mergers and Acquisitions Act. For related information, please refer to Note VI(IV)8.

Note 2: Due to the inability to proceed with the investment in the subsidiary Langfang, it was resolved to withdraw the investment and completed the de-registration process on March 13, 2025. For more information, please refer to Note VI(IV)11.

(II) Significant transactions with the related parties

1. Operating revenue

		2025		2024
Disposal income				
Subsidiary				
Chin Hsin	$	2,488	$	1,440
Other related party				
Shung Shing Enterprise		15,304		13,806
	$	17,792	$	15,246

The disposal income was from the waste disposal service provided to the related party. The price was calculated by weight with reference to the market price, with payment terms settled monthly to 40 days.

2. Operating costs

		2025		2024
Transportation cost				
Subsidiary and Second-tier subsidiary				
Chin Hsin	$	279,845	$	163,047
Liang Wei		22,823		22,739
Cheng Shin		20,693		24,841
		323,361		210,627
Other related party				
Shung Shing Enterprise	$	30,246	$	1,580
Ruentex Materials		2,589		2,891
		32,835		4,471
	$	356,196	$	215,098

The transaction price of product sales is negotiated with the related parties, and and the payment terms are separately agreed upon by both parties.

3. Accounts receivable

		December 31, 2025		December 31, 2024
Accounts receivable from related parties				
Subsidiary and Second-tier subsidiary				
Chin Hsin	$	30,501	$	79,998
Liang Wei		7,287		7,372
Cheng Shin		4,164		4,369
		41,952		91,739
Other related party				
Shung Shing Enterprise		1,349		810
	$	43,301	$	92,549

Because the waste treatment contracts signed by some customers specify that the subsidiary (second-tier subsidiary) that provides the cleaning and transportation services will collect the cleaning and disposal fee, the Company will request the payment from the cleaning and transportation services company designated by the customer according to the billing conditions of the contract. Payments are listed as Accounts Receivable.

4. Other receivables

		December 31, 2025		December 31, 2024
Other accounts receivable from related parties				
Subsidiary and Second-tier subsidiary				
Chin Hsin	$	2,535	$	2,176
Cheng Shin		1,488		-
	$	4,023	$	2,176

Mainly the directors' remuneration and transportation allowance receivable.

5. Accounts payable

		December 31, 2025		December 31, 2024
Related party payables				
Subsidiary and Second-tier subsidiary				
Chin Hsin	$	-	$	136
Other related party				
Shung Shing Enterprise		17,497		1,245
Ruentex Materials		340		183
	$	17,837	$	1,564

Mainly the removal fee and bottom slag treatment fee.

6. Advance payments

		December 31, 2025		December 31, 2024
Advanced receipt from related parties				
Subsidiary and Second-tier subsidiary				
Chin Hsin	$	-	$	88,824
Cheng Shin		-		800
	$	-	$	89,624

(1)For the prepayment for the purchase of buildings and lands from Chin Hsin, please refer to the descriptions in Note VI (VIII).

(2)For Cheng Hsin, it refers to the advance rent.

7. Other income

		2025		2024
Subsidiary				
Rent income:：				
-Cheng Shin	$	200	$	4,000
Other incomes：				
-Chin Hsin		2,701		3,505
	$	2,901	$	7,505

(1)Rent income: please see Note VI (VII)

(2)Other incomes: the transportation allowance and the remuneration as a director to a subsidiary.

8. Dividend income

Please see Note VI(IV) for description

9.Property Transactions

(1)Equity investments

Please see Note VI(IV) for description

(2) Disposal of property, plant and equipment

a. Disposal of other equipment

Subsidiary and Second-tier subsidiary	2025 Proceeds from sale	2025 Gains from disposal	2024 Proceeds from sale	2024 Gains from disposal
-Chin Hsin	$ 825	$ 24	$ 4,100	$ 40
-Cheng Shin	4,238	447	-	-
-Liang Wei	5,368	652	921	8
	$ 10,431	$ 1,123	$ 5,021	$ 48

b. For the disposal of non-current assets held for sale, please refer to Note VI (VIII)

10.Provision of endorsements and guarantees to others

	December 31, 2025	December 31, 2024
Subsidiary		
Jiangsu Suqian	$ 89,920	$ 44,780
Rizhao Panyue	89,920	44,780
Beijing Ruentex	89,920	-
Yuncheng Ruentex	44,960	-
	$ 314,720	$ 89,560

(III)Compensation of key management personnel

	2025	2024
Salary and short-term employee benefits	$ 57,167	$ 52,631
Employment retirement benefits	1,244	1,218
	$ 58,411	$ 53,849

VIII. Pledged or Mortgaged Assets

For the years ended December 31, 2025 and 2024, the Company's assets offered as endorsement guarantee are shown as follows:

Asset Name	Book value December 31, 2025	Book value December 31, 2024	Purpose
Property, plant and equipment	$ 136,788	$ 288,260	Financing borrowings and quotas
Time deposit (Recognized as “Financial assets at amortized cost - Non-current assets”)	9,670	11,155	Performance guarantee
	$ 146,458	$ 299,415	

IX. Significant Recognized Issues and Contingent Issues

Other than VI (VI) (XII), the rest are described as follows:

1. The Company leased a land lot in Changhua Coastal Industrial Park by Xi-Xing Section of Xianxi Township on February 8, 2018. The lease period was from February 10, 2018 to February 9, 2038, for a total of 20 years. During the lease period, the land would only be used for the construction and operations of a comprehensive processing center. The land rent was to be paid from the date of signing, and will be paid monthly, twelve times a year and the rent for each period was 1% of the land price announced for the year.

2. The Company signed a reward contract with Shengang Township Office and Xianxi Township Office of Changhua County in November 2012. The contract period was effective from the date of signing to the end of operations of the plant in Changhua Coastal Industrial Park. The subsidy reward is calculated based on the actual quantity of waste in ton processed by the plant multiplied by the unit price per ton. In 2025 and 2024, amounts of $13,334 and $13,047 were recognized, respectively.

3. For years ended December 31, 2025 and 2024, the total of contract construction signed but not yet completed and the prepaid equipment contract were $893,666 and $824,615, respectively. $781,137 and $569,805 had been paid toward the contract, and the remaining balance will be paid according to the progress of the project.

X. Losses Due to Major Disasters

None.

XI. Major Subsequent Issues

Please see Note VI(XVIII)6. for description.

XII. Others

(I) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including “current and non-current borrowings” as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as “equity” as shown in the balance sheet plus net debt.

The Company maintained the same strategy in 2025 as in 2024. It is committed to keeping the debt-to-capital ratio under a certain percentage. For the years ended December 31, 2025 and 2024, the debt-to-capital ratios were as follows:

	December 31, 2025	December 31, 2024
Total borrowings	$ 2,506,500	$ 3,080,500
Less: Cash	(137,036)	(202,826)
Net debt	2,369,464	2,877,674
Total equity	5,317,431	5,243,934
Total capital	$ 7,686,895	$ 8,121,608
Debt-to-equity ratio	31%	35%

(II) Financial instruments

1. Types of financial instrument

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets measured at amortized cost		
Cash	$ 137,036	$ 202,826
Notes receivable	475	5,824
Accounts receivable	27,255	162,105
Account receivable - Related parties	43,301	92,549
Other receivables	336	373
Other receivables - Related parties	4,023	2,176
Financial assets at amortized cost -Non-current	9,921	11,406
Refundable deposit (Recognized as "Other non-current assets")	71,893	71,336
	$ 294,240	$ 548,595

Financial liabilities	December 31, 2025	December 31, 2024
Financial liabilities at amortized cost		
Notes payable	$ 2,709	$ 2,133
Accounts payable	94,952	93,197
Accounts payable- Related parties	17,837	1,564
Other payables	267,137	212,508
Long-term borrowings(current portion)	2,506,500	3,080,500
Guarantee deposit received (Recognized as "Other current liabilities")	39,976	36,186
	$ 2,929,111	$ 3,426,088
Lease liabilities - Current and non-current	$ 301,187	$ 347,330

2. Risk management policies

(1) The Company's activities expose it to a variety of financial risks, including market risk (exchange rate, interest rate and price), credit risk and liquidity risk. The Company does not undertake derivative trading.

(2) Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. Company finance department identifies, evaluates and hedges financial risks in close collaboration with the Company's other operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as currency exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

A. The Company is a multinational operation and therefore is subject to exchange rate risk arising from transactions between the different currencies of the Company and its subsidiaries, mainly in US dollars and RMB. The related exchange risk from future business transactions have been recognized in assets and liabilities.

B. The Company's operations involve certain non-functional currencies (the Company's functional currency is the New Taiwan dollar (NTD), so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values would be materially affected by exchange rate fluctuations are as follows:

	December 31, 2025				
	Foreign currency (in thousand)		Exchange rate		Book value (NTD)
(Foreign currency: Functional currency)					
Financial assets					
Monetary items					
RMB : NTD	$	4,095	4.496	$	18,411
Non-monetary items					
USD : NTD		119,637	31.430		3,760,191

	December 31, 2024				
	Foreign currency (in thousand)		Exchange rate		Book value (NTD)
(Foreign currency: Functional currency)					
Financial assets					
Monetary items					
RMB : NTD	$	4,502	4.478	$	20,160
Non-monetary items					
USD : NTD		122,970	32.790		4,032,193

C.The Company's monetary items were significantly affected by exchange rate fluctuations, resulting in total recognized foreign exchange (losses) gains (including both realized and unrealized) of $48 and $808 for the years ended December 31, 2025 and 2024, respectively.

D.The analysis of foreign currency risks due to significant exchange rate fluctuation is as follows:

	2025				
	Sensitivity Analysis				
	Fluctuation	Profit and loss affected		Other comprehensive profit and loss affected	
(Foreign currency: Functional currency)					
Financial assets					
Monetary items					
RMB : NTD	1%	$	184	$	-
Non-monetary items					
USD : NTD	1%		-		37,602

	2024		
	Sensitivity Analysis		
	Fluctuation	Profit and loss affected	Other comprehensive profit and loss affected
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
RMB : NTD	1%	$ 202	$ -
Non-monetary items			
USD : NTD	1%	-	40,322

Price risk

The Company did not invest in equity instruments that are exposed to the price risks as of December 31, 2025 and 2024.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk mainly comes from long-term borrowings issued at floating rates, which exposes the Company to cash flow interest rate risk. For 2025 and 2024, the Company's borrowings issued at floating rates were mainly denominated in New Taiwan Dollars.

B. If the interest rates of borrowing NTD and USD increases or decreases by 1%, while all other factors remain constant, the net income after tax for 2025 and 2024 is a decrease or increase of $20,052 and $24,644, respectively, mainly due to the interest expense changes caused by the floating interest rate.

(2) Credit risk

A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments under contract obligations, and the defaults are notes receivable, accounts receivable, debt instruments measured at amortized cost or at fair value through profit and loss and other financial assets.

B. The management of credit risk is established with a Company perspective. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing 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 utilization of credit limits is regularly monitored.

C. The Company uses IFRS 9 to provide an assumption that if a contract payment is overdue for more than 90 days in accordance with the agreed payment terms, it is considered a breach of contract.

D. The Company uses IFRS 9 to provide the following assumption as a basis for determining whether there is a significant increase in the credit risk of financial instruments after the original recognition:

(A) If the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.

(B) If any external rating agency rates it as an investment grade on the balance sheet date, the credit risk of the financial asset are considered low.

E. The Company uses the following indicators to determine the status of credit impairments of debt instruments:

(A) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.

(B) The issuer experiences a disappearance of the active market for such financial assets due to financial difficulties.

(C) The issuer delays or does not pay for the interest or principal.

(D) Unfavorable changes in the national- or regional-level economic situation resulting in the issuer's default.

F. The Company categories the accounts receivable from customers based on their types and collection methods. The loss ratio method is adopted as the basis for estimating the expected credit loss.

G. The Company has included the economic indicators and signals of the National Development Council and estimated the loss allowance for accounts receivable based on the loss rates built according to historical and current data. The loss rates as of December 31, 2025 and 2024 are shown as follows:

	Individual A	Individual B	Total
December 31, 2025			
Expected loss rate	-	0.032%	
Total book value	$ 43,301	$ 313,455	$ 356,756
Loss allowance	$ -	$ 105	$ 105
December 31, 2024			
Expected loss rate	-	0.032%	
Total book value	$ 92,549	$ 167,983	$ 260,532
Loss allowance	$ -	$ 54	$ 54

Individual A： Related party

Individual B：Non-related party

H. The Company adopts a simplified method in which the loss allowance for the accounts receivable is shown below:

	2025		
	Notes receivable	Accounts receivable	Total
January 1	$ 2	$ 52	$ 54
Recognize impairment loss	2	49	51
December 31	$ 4	$ 101	$ 105

	2024		
	Notes receivable	Accounts receivable	Total
January 1	$ 2	$ 71	$ 73
Reversal of impairment loss	-	(19)	(19)
December 31	$ 2	$ 52	$ 54

I. The Company recognizes financial assets measured at amortized cost, which are time deposits with a maturity period of longer than three months. The Company associates 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.

(3) Liquidity risk

A. Cash flow forecasting is performed by the operating entities of the Company and aggregated by the Company's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Company has sufficient cash to meet operational needs, so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

B. The Company's unutilized borrowings are shown as follows:

	December 31, 2025	December 31, 2024
Floating rate		
Mature within one year	$ 2,100,000	$ 2,300,000
Maturity of more than one year	1,730,000	650,000
	$ 3,830,000	$ 2,950,000

C. The table below analyses the Company's non-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. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities: December 31, 2025	Less than 1 year	1 to 3 years	More than 3 years
Notes payable	$ 2,709	$ -	$ -
Accounts payable (Includes related party)	112,789	-	-
Other payables	267,137	-	-
Lease liabilities (Note)	29,281	56,335	253,137
Long-term loan (Includes expiration within one year or one business cycle) (Note)	70,664	2,287,090	238,691

Non-derivative financial liabilities: December 31, 2024	Less than 1 year	1 to 3 years	More than 3 years
Notes payable	$ 2,133	$ -	$ -
Accounts payable (Includes related party)	94,761	-	-
Other payables	212,508	-	-
Lease liabilities (Note)	31,032	60,919	299,351
Long-term loan (Includes expiration within one year or one business cycle) (Note)	157,217	2,776,697	267,331

Note: The above amount includes the interest expected to be paid in the future.

D. The Company does not expect that the cash flow analyzed for the maturity date will be significantly earlier or the actual amount will be significantly different.

(III) Fair value information

1. 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. The fair value of the Company's investment in beneficiary certificates is considered Level 1.

   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.

2. Financial instruments not measured at fair value

   The Company has financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivable, other financial assets, short-term borrowings, short-term bills payable, notes payable, accounts payable, other payable, lease liabilities and book value of long-term borrowings as a reasonable approximation of fair value.

3. The Company did not hold financial assets or liabilities measured at fair value as of December 31, 2025 and 2024.

XIII. Additional Disclosures

(I) Significant transactions information

1. Loans to others: Please refer to Table I.
2. Provision of endorsements and guarantees to others: Please refer to Table II.
3. Holding marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table III.
4. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Table IV.
5. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please see Table V.
6. Significant inter-company transactions during the reporting periods: Please refer to Table VI.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Table VII.

(III) Information on investments in China

1. Basic information: Please refer to Table VIII.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to Table V and VI

XIV. Operating Segments Information

Not applicable.

Sunny Friend Environmental Technology Co., Ltd.
Cash and Cash Equivalents Schedule
2025/12/31

Unit: NT$1,000

Items	Summary	Amount
Petty cash		$ 285
Bank savings		
Demand deposit in	US$18.32 at US$1=NT$31.43	
foreign currency	RMB $4,094,694 at RMB 1= NTD 4.496	18,410
Demand deposit in NTD		118,341
		$ 137,036

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Sunny Friend Environmental Technology Co., Ltd
Accounts Receivable Schedule
2025/12/31

Unit: NT$1,000

Client Name	Summary	Amount	Remarks
Company A		$ 8,793	
Company B		4,230	
Company C		1,828	
Others		12,505	The balance of each client did not exceed 5% of this account.
Sub-total		27,356	
Less: Loss allowance		(101)	
		$ 27,255	

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Sunny Friend Environmental Technology Co., Ltd
Schedule of Long-Term Equity Investments Accounted for Using Equity Method
January 1 to December 31, 2025

Unit: NT$1,000

Investee	Opening Balance		Increase (Decrease) in this period		Investment profit (loss)		Cumulative Translation Adjustments	Balance at the end of period			Market value or equity net value		Basis for evaluation	Guarantee or pledge
	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Amount	Number of shares (thousand)	Ownership	Amount	Unit Price	Total amount		
Chin Hsin Environmental Engineering Co., Ltd.	26,415	$ 618,305	-	($ 161,533) Note1	-	$ 142,251	$ -	26,415	-	$ 599,023	$ 73.80	$ 1,949,427	Market method	None
Full Gaint Resources Ltd.	126,100	4,032,192	-	-	-	(256,633)	(15,368)	126,100	-	3,760,191	29.82	3,760,191	Equity method	None
Total		$ 4,650,497		($ 161,533)		($ 114,382)	($ 15,368)			$ 4,359,214		$ 5,709,618		

Note1 : Including cash dividends paid of $100,378 and unrealized gains or losses of $61,155..Please refer to Note VI (IV) and VI (VIII) details.

Sunny Friend Environmental Technology Co., Ltd
Property, Plant and Equipment Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Opening Balance	Increase this period	Decrease this period	Re-classification for the year	Balance at the end of period	Guarantee or pledge	Remarks
Cost:							
Land	$ 748,488	$ -	$ -	$ -	$ 748,488	Please refer to the description in "Note VIII. Pledged assets."	
Buildings	1,175,419	9,519	(3,899)	26,924	1,207,963	〃	
Machinery and equipment	1,237,800	5,450	(18,002)	18,478	1,243,726	〃	
Transportation equipment	160,136	5,542	(5,299)	3,278	163,657	〃	
Office equipment	33,346	2,142	(1,299)	70	34,259	〃	
Other equipment	1,187,996	5,749	(12,257)	452	1,181,940	〃	
Lease assets	834	-	(834)	-	-	〃	
Unfinished construction	619,026	236,221	-	(22,761)	832,486	〃	
	5,163,045	264,623	(41,590)	26,441	5,412,519		
Accumulated depreciation:							
Buildings	(356,027)	(55,473)	3,899	-	(407,601)		
Machinery and equipment	(802,361)	(92,896)	15,123	-	(880,134)		
Transportation equipment	(105,032)	(16,632)	5,299	-	(116,365)		
Office equipment	(29,675)	(2,041)	1,299	-	(30,417)		
Lease assets	(74)	-	74	-	-		
Other equipment	(577,131)	(144,837)	4,074	-	(717,894)		
	(1,870,300)	($ 311,879)	$ 29,768	$ -	(2,152,411)		
Book value	$ 3,292,745				$ 3,260,108		

Sunny Friend Environmental Technology Co., Ltd
Right-of-Use Assets Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Opening Balance	Increase this period	Decrease this period	Balance at the end of period
Cost:				
Land	$ 491,403	$ -	($ 21,466)	$ 469,937
Buildings	5,096	-	-	5,096
Machinery and equipment	843	648	-	1,491
	497,342	648	(21,466)	476,524
Accumulated depreciation:				
Land	(164,782)	(25,448)	-	(190,230)
Buildings	(2,718)	(1,019)	-	(3,737)
Machinery and equipment	(430)	(474)	-	(904)
	(167,930)	(26,941)	-	(194,871)
Book value	$ 329,412	($ 26,293)	($ 21,466)	$ 281,653

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Sunny Friend Environmental Technology Co., Ltd
Intangible Assets Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Opening Balance	Increase this period	Decrease this period	Balance at the end of period	Remarks
Cost:					
Concession	$ 498,416	$ -	$ -	$ 498,416	
Computer software	2,528	1,212	(559)	3,181	
	500,944	1,212	(559)	501,597	
Accumulated amortization:					
Concession	(358,692)	(47,918)	-	(406,610)	
Computer software	(2,028)	(1,289)	559	(2,758)	
	(360,720)	(49,207)	559	(409,368)	
Book value	$ 140,224	($ 47,995)	$ -	$ 92,229	

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Sunny Friend Environmental Technology Co., Ltd
Accounts Payable Schedule
2025/12/31

Unit: NT$1,000

Counterparty Name	Amount	Remarks
Company H	$ 17,497	
Company I	7,438	
Company J	6,672	
Company K	6,485	
Company L	5,135	
Company M	5,051	
Others	46,674	The balance of each client did not exceed 5% of this account.
	$ 94,952	

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Sunny Friend Environmental Technology Co., Ltd
Other Accounts Payable Schedule
2025/12/31

Unit: NT$1,000

Items	Amount	Remarks
Payroll and bonus payable	$ 86,759	
Payable on equipment	67,734	
Employees' bonuses and directors' remuneration payable	65,604	
Others	47,040	
	$ 267,137	

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Sunny Friend Environmental Technology Co., Ltd.
Long-Term Borrowings Schedule
2025/12/31

Unit: NT$1,000

Creditors	Summary	Amount Borrowed (Mature within one year)	Contract Duration	Interest Rate	Pledge or Guarantee	Remarks
First Commercial Bank of Taiwan	Mortgage loan	$ 306,500	2024/11/20 - 2029/11/20	1.88%	The collaterals are property, plant and equipment.	The interest will be paid on a monthly basis.With the 25th month being the first installment of the utilization date and monthly principal repayment of $2 million for a total of 36 installments, the principal amount of $212.5 million will be repaid in one lump sum.
Taiwan Cooperative Bank	Credit loan	300,000	2024/09/27 -2027/09/27	1.85%	-	With the 30th month being the first repayment date to be repaid in 2 installments, $150 million is repaid per installment.
Chang Hwa Bank	〃	300,000	2025/08/29 - 2028/08/29	1.88%	-	The interest will be paid on a monthly basis. Principal will be repaid on a quarterly basis starting from the 3rd year. The first repayment date is November 29, 2027, with a total of 4 installments, and the principal of each installment is $75 million.
First Commercial Bank of Taiwan	〃	300,000	2023/02/06 - 2027/08/22	1.85%	-	Monthly interest payment and then a single payment of principal at maturity
First Commercial Bank of Taiwan	〃	200,000	2023/03/28 - 2027/08/22	1.85%	-	〃
First Commercial Bank of Taiwan	〃	200,000	2023/12/28 - 2027/08/22	1.85%	-	〃
First Commercial Bank of Taiwan	〃	100,000	2024/06/27 - 2027/08/22	1.85%	-	〃
First Commercial Bank of Taiwan	〃	50,000	2025/12/29 – 2027/08/22	1.85%	-	〃
Cathay United Bank	〃	250,000	2025/08/17 - 2027/08/17	1.92%	-	〃
Bank of Taiwan	〃	300,000	2024/08/30 - 2027/08/30	1.86%	-	〃
Taipei Fubon Bank	〃	100,000	2025/06/13 - 2027/06/13	1.94%	-	〃
Taipei Fubon Bank	〃	100,000	2025/06/13 - 2027/06/13	1.94%	-	〃
		$ 2,506,500				

Sunny Friend Environmental Technology Co., Ltd.
Lease liabilities - Current and Non-Current Schedule
2025/12/31

Unit: NT$1,000

Items	Summary	Lease Period	Discount rate	Balance at the end of period	Remarks
Land	Land at the Changhua plant	February 20, 2018 to February 19, 2038	2.01%	$ 299,198	
Buildings	Taipei office	May 1,2022 to April 30,2027	1.45%	1,395	
Machinery and equipment	Forklift at Yunlin Plant	June 20,2023 to June 19,2026	1.72%	135	
Machinery and equipment	Forklift at Yunlin Plant	February 10,2025 to February 9,2028	1.85%	459	
				301,187	
Less: Lease liabilities due within one year or one operating period (recognized in "Lease liabilities - Current")				(23,490)	
				$ 277,697	

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Sunny Friend Environmental Technology Co., Ltd.
Operating Income Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Weight (tons)	Amount	Remarks
Revenue from waste disposal	98,887	$ 2,672,101	
Sales discount		(931)	
		$ 2,671,170	

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Sunny Friend Environmental Technology Co., Ltd.
Cost of Goods Sold Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Amount	Remarks
Disposal expense	$ 459,864	
Depreciation expense on property, plant and equipment	289,062	
Labor cost	207,599	
Consumables	155,220	
Repairs	105,835	
Water, electricity and gas utilities	94,087	
Amortization	48,002	
Depreciation expenses for right-of-use assets	21,415	
Other expenses	126,461	
	$ 1,507,545	

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Sunny Friend Environmental Technology Co., Ltd.
Marketing Expenses Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Amount	Remarks
Payroll expenses	$ 15,888	
Depreciation expense on property, plant and equipment	8,590	
Tax	2,044	
Depreciation expenses for right-of-use assets	1,347	
Other expenses	18,334	
	$ 46,203	

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Sunny Friend Environmental Technology Co., Ltd.
General and Administrative Expenses Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Items	Amount	Remarks
Payroll expenses	$ 162,492	
Depreciation expense on property, plant and equipment	14,227	
Depreciation expenses for right-of-use assets	4,179	
Other expenses	72,874	
	$ 253,772	

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Sunny Friend Environmental Technology Co., Ltd.
General and Administrative Expenses Schedule
January 1 to December 31, 2025

Unit: NT$1,000

Type \ Function	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenditure						
Payroll expenses	$ 207,599	$ 178,380	$ 385,979	$ 181,670	$ 164,312	$ 345,982
Labor and health insurance fees	21,343	11,353	32,696	18,978	10,534	29,512
Pension costs	10,544	4,966	15,510	9,270	4,794	14,064
Directors' remuneration	-	12,856	12,856	-	10,279	10,279
Other employee benefit expenses	12,847	7,212	20,059	10,290	7,837	18,127
Depreciation expense on property, plant and equipment	289,062	22,817	311,879	244,087	23,802	267,889
Depreciation expenses for right-of-use assets	21,415	5,526	26,941	20,880	5,509	26,389
Amortization expense	48,002	1,205	49,207	36,873	1,122	37,995

Notes:

1. As of the end of the current period and the previous year, there were 357 and 350 employees, respectively, which included 7 and 7 directors who did not hold a concurrent position.
2. Stocks are listed on the Taiwan Stock Exchange or the Taipei Exchange and the following information is disclosed:

(1) The employee benefit expense for the year is $1,298,000 ((Current year's total employee benefit expense - Remunerations to directors) / (Current year's number of employees - Number of directors who do not hold concurrent employee positions)). The employee benefit expense for the previous year was $1,189,000 ((Previous year's total employee benefit expense - Remunerations to directors) / (Previous year's number of employees - Number of directors who do not hold concurrent employee positions)).

(2) The employee salary expense for the year is $1,103,000 ((Current year's total employee salary expense / (Current year's number of employees - Number of directors who do not hold concurrent employee positions)).

The employee salary expense for the previous year was $1,009,000 ((Previous year's total employee salary expense / (Previous year's number of employees - Number of directors who do not hold concurrent employee positions)).

(3) The average of employee salary expense is adjusted by 9.32 % ((This year's average of employee salary expense - Previous year's average of employee salary expense) / Previous year's average of employee salary expense)).

(4) Salary and remuneration policy

A. Directors' salary and remuneration policy:

Mainly based on the relevant provisions of the Company's “Articles of Incorporation” on directors' remuneration. The compensation committee provides the proposal for the remuneration percentage based on the Company's operating results, performance and the appraisal of the board for the year to the board for review, and the remuneration is distributed in accordance with the Company's regulations to provide the directors with reasonable amount in remuneration.

B. Managerial officers' salary and remuneration policy:

The salary level for the managerial officers' positions in other industry peers, the scope of responsibility in the Company, contribution to the Company's operational goals and the purpose of attracting and retaining professional management talents are taken into consideration to give executives relatively reasonable remuneration. The remuneration is in accordance with the standards specified in the “Managerial Officer Remuneration Management Measures” reviewed by the Company's remuneration committee and approved by the board.

C. Employee salary and remuneration policy:

Determine employees' salary in accordance with the Company's "Employee Salary Management Measures" and the bonus or compensation regulations of other companies to provide remuneration, treatment and benefits in compliance with labor laws and regulations. The Company's annual year-end bonus is subject to the earnings per share of the current year, which is approved by the chairman (General Manager), and is issued in accordance with the Company's "Year-End Bonus Payment Measures." In accordance with the Company's Articles of Incorporation, 7% of the profits of the year is allocated as employee remunerations, which appropriately reflect the business performance or results.

Sunny Friend Environmental Technology Co., Ltd.

Loans to Others

January 1 to December 31, 2025

Table I

Unit: NT$1,000

(Unless otherwise specified)

Code (Note 1)	Company that lent funds	Borrowing party	General ledger account (Note 2)	Is a related party	Maximum balance of the period (Note 3)	Balance at the end of period (Note 8)	Actual amount drawn down	Range of interest rate	Nature of loan (Note 4)	Amount in transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Amount in recognized impairment loss	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loan granted (Note 7)	Remarks
													Guarantee name	Value			
1	Full Giant Resources Ltd.	Yuncheng Ruentex Environmental Technology Co., Ltd.	Accounts receivable - Related party	Yes	$ 1,072,856	$ -	$ -	-	Short-term financing	$ -	Business operations	$ -	-	$ -	$ 3,760,190	$ 3,760,190	Note 9
1	Full Giant Resources Ltd.	Beijing Ruentex Environmental Technology Co., Ltd.	Accounts receivable - Related party	Yes	199,260	-	-	-	Short-term financing	-	Business operations	-	-	-	3,760,190	3,760,190	Note 9
1	Full Giant Resources Ltd.	Jiangsu Suqian Ruentex Environmental Control Co., Ltd.	Accounts receivable - Related party	Yes	448,335	-	-	-	Short-term financing	-	Business operations	-	-	-	3,760,190	3,760,190	Note 9
2	Beijing Ruentex Environmental Technology Co., Ltd.	Yuncheng Ruentex Environmental Technology Co., Ltd.	Accounts receivable - Related party	Yes	320,110	314,720	260,768	3.5%	Short-term financing	-	Business operations	-	-	-	524,108	1,048,215	Note 10 and Note 12
2	Beijing Ruentex Environmental Technology Co., Ltd.	Rizhao Panyue Environmental Technology Co., Ltd.	Accounts receivable - Related party	Yes	365,840	13,488	-	3.5%	Short-term financing	-	Business operations	-	-	-	524,108	1,048,215	Note 10 and Note 13
2	Beijing Ruentex Environmental Technology Co., Ltd.	Jiangsu Suqian Ruentex Environmental Control Co., Ltd.	Accounts receivable - Related party	Yes	91,460	89,920	77,331	3.5%	Short-term financing	-	Business operations	-	-	-	524,108	1,048,215	Note 10 and Note 14

Note 1: The explanation of the Code column is as follows:

(1) Issuer fills in 0.

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

Note 2: Accounts receivable from affiliates and related parties, shareholders' transactions, prepayments, temporary payments and others must be filled in this field if they are considered loans in nature.

Note 3: Maximum balance of funds loaned to others in the current year.

Note 4: The nature of the loan should be listed as business transactions or those that have the needs for short-term financing.

Note 5: If the nature of the loans is business transactions, the amount in transactions should be filled in. The amount in transactions refers to the amount between the company which provides the loans and the borrower.

Note 6: If the nature of the loans is short-term financing, the reasons for borrowing and the purposes of the loans must be specified, such as repayment of loans, purchase of equipment, business operations and others.

Note 7: The limits for separate borrowers and the total amount in loans lent out should be specified in accordance with the Company's regulations on loans to others, and the remark box should explain the calculation of limits for separate borrowers and the total amount in loans available.

Note 8: If a publicly traded company wishes to propose the entries of loans to the board for resolution in accordance with Paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amounts determined by the board shall be listed in the announced balance before the disbursement of loans to disclose the risks the company undertakes. The remaining balances after repayments should also be disclosed to reflect the adjustment of risks. According to Paragraph 2, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, once the board authorizes the chairman to issue the loans in multiple disbursements at a specific amount within a year or in a revolving credit line, the limit of the loan authorized by the board should still be put in the public announcement. This is in consideration of the fact that loans may be given out again after the repayments, so the amounts determined by the board shall be listed in the announced balance.

Note 9: The overseas company Full Giant Resources Ltd., in which the Company directly holds 100% of the voting shares, should not disburse loans totaling more than 100% of the net value of loan recipients, and the amount in loan to a single party should not exceed 100% of the net value of loan recipient.

Note 10: The overseas company Beijing Ruentex, in which the Company indirectly holds 100% of the voting shares, should not disburse loans totaling more than 40% of the net value of loan recipients, and the amount in loan to a single party should not exceed 20% of the net value of loan recipient.

Note 11: The aforementioned net value is based on the net value of the Company's most recent consolidated financial report audited by an accountant.

Note 12: The ending balance is RMB$70,000,000, which is converted into an amount in New Taiwan Dollar according to the spot exchange rate from the Bank of Taiwan on December 31, 2025 at 4.496.

Note 13: The ending balance is RMB$3,000,000, which is converted into an amount in New Taiwan Dollar according to the spot exchange rate from the Bank of Taiwan on December 31, 2025 at 4.496.

Note 14: The ending balance is RMB$20,000,000, which is converted into an amount in New Taiwan Dollar according to the spot exchange rate from the Bank of Taiwan on December 31, 2025 at 4.496.

Sunny Friend Environmental Technology Co., Ltd.

Provision of endorsements and guarantees to others

January 1 to December 31, 2025

Table II

Unit: NT$1,000

(Unless otherwise specified)

Code (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company Name	Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Highest Endorsement Balance of the Period (Note 4)	Outstanding endorsement/guarantee balance (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	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 China (Note 7)	Remarks
0	Sunny Friend Environmental Technology Co., Ltd.	Yuncheng Ruentex Environmental Technology Co., Ltd.	2	$ 2,126,972	$ 44,960	$ 44,960	$ 8,502	$ -	0.85%	$ 5,317,431	Y	N	Y	Note 8
0	Sunny Friend Environmental Technology Co., Ltd.	Rizhao Panyue Environmental Technology Co., Ltd.	2	2,126,972	90,690	89,920	614	-	1.69%	5,317,431	Y	N	Y	Note 8
0	Sunny Friend Environmental Technology Co., Ltd.	Jiangsu Suqian Ruentex Environmental Control Co., Ltd.	2	2,126,972	90,690	89,920	-	-	1.69%	5,317,431	Y	N	Y	Note 8
0	Sunny Friend Environmental Technology Co., Ltd.	Beijing Ruentex Environmental Technology Co., Ltd.	2	2,126,972	89,920	89,920	-	-	1.69%	5,317,431	Y	N	Y	Note 8

Note 1: The explanation of the Code column is as follows:

(1) Issuer fills in 0.

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

Note 2: There are the following seven types of relationships between the endorser/guarantor and the party being endorsed/guaranteed:

(1) A company with business relations.

(2) The Company directly or indirectly holds more than 50% of the voting shares of the other company.

(3) The other company directly or indirectly holds more than 50% of the voting shares of the Company.

(4) The Company directly or indirectly holds more than 90% of the voting shares of the other company.

(5) Companies that are mutual protected due to mutual endorsement between industry partners or joint construction builders based on the needs of the project.

(6) A company endorsed or guaranteed by all contributing shareholders in the order of their shareholding proportion for a co-investment relationship.

(7) Industry partners who are engaged in the sales of pre-construction homes and conduct joint guarantee for the performance of contract based on Consumer Protection Act.

Note 3: Fill in the amount limit of endorsement guarantee for individual counterparty and the total amount limit of endorsement guarantee specified in accordance with the Company's regulations on provision of endorsements and guarantees to others, and explain the calculation of limits for each individual counterparty and the total amount limit in the remark box.

Note 4: The maximum balance guaranteed for others during the year.

Note 5: The amount approved by the board of directors. However, if the board of directors authorize the chairperson for resolution in accordance with Subparagraph 8 or Article 12 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", then this refers to the amount determined by the chairperson.

Note 6: Shall enter the actual amount used by the endorsed company within the balance limit of the endorsement.

Note 7: Fill in Y if it is an endorsement of a subsidiary by its parent company that is publicly listed or an OTC, or an endorsement of a parent company that is publicly listed or an OTC, by its subsidiary, or an endorsement in China.

Note 8: The ceiling amount of endorsement guarantees by the Company to others is limited to no more than 100% of the Company's net worth, and the ceiling of endorsement guarantees for a single enterprise is limited to no more than 40% of the Company's net worth.

Sunny Friend Environmental Technology Co., Ltd.

Holdings of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2025

Table III

Unit: NT$1,000

(Unless otherwise specified)

Company name of the shareholding	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	End of Period				Remarks (Note4)
				Number of units	Carrying amount (Note 3)	Ownership	Fair value	
Chin Hsin Environmental Engineering	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit and loss - Current	9,500,827.38	$ 167,804	-	$ 167,804	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, Financial Instruments

Note 2: The box is exempt if the issuer of the negotiable securities is not a related person.

Note 3: Fair value is determined based on fair value less accumulated impairment for marketable securities measured at fair value. Fair value is determined based on the acquisition cost or amortized cost less accumulated impairment for marketable securities not measured at fair value.

Note 4: If the listed negotiable securities are restricted due to being used as a guarantee, pledge or other agreements, the remark box shall be filled with a description to clarify the number of shares as guarantee or borrowings or the amount and restrictions.

Note 5:The Company determines which securities shall be disclosed based on the principle of materiality.

Sunny Friend Environmental Technology Co., Ltd.

Purchases from and sales to related parties amounting to NT$100 million or more, or 20% or more of paid-in capital

January 1 to December 31, 2025

Table IV

Unit: NT$1,000

(Unless otherwise specified)

			Transaction				terms compared with third party transactions(Note 1)		Receivable (Payable) Notes and Accounts		
Purchaser/seller	Counterparty	Relationship with the endorser/ guarantor	Purchase / Sales	Amount	Percentage of Total Purchases (Sales)	Credit term	Unit Price	Credit term	Balance	Percentage of Total Receivable (Payable) Notes and Accounts	Remarks (Note 2)
Sunny Friend Environmental Technology Co., Ltd	Chin Hsin Environmental Engineering	Subsidiary	Purchase	$ 279,845	18.56%	30-60 days	Negotiated Pricing	Payments collected according to contractual terms	$ -	0.00%	
Chin Hsin Environmental Engineering	Sunny Friend Environmental Technology Co., Ltd	Parent company	Sales	283,825	47.98%	30-60 days	Negotiated Pricing	Payments collected according to contractual terms	-	0.00%	Note5

Note 1: If the transaction terms of the related party are different from the general terms, please specify the differences and reasons in the unit price and credit term boxes.

Note 2: If there is any advanced payment or pre-payment, please specify the reasons, contract terms, amount and the differences from the general terms in the remarks box.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. In the event the issuer's shares have no par value or a par value other than NT$10, the calculation of transaction amounts of 20% of paid-in capital will be substituted by the 10% of equity attributable to owners of the parent company.

Note 4: Calculated from the perspective of the company making the purchases or sales

Note 5: Revenue from waste removal and plastic wood.

Sunny Friend Environmental Technology Co., Ltd.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
December 31, 2025

Table V

Unit: NT$1,000
(Unless otherwise specified)

Company in accounts receivable	Counterparty	Relationship with the endorser/guarantor	Balance of AR from related party	Turnover rate	Overdue receivables Amount	Overdue receivables Actions Taken	Amount collected subsequent to the balance sheet date	Amount of recognized impairment loss
Beijing Ruentex Environmental Technology Co., Ltd.	Yuncheng Ruentex Environmental Technology Co., Ltd.	Subsidiary	$ 293,371	Note 2	$ -	-	$ -	$ -

Note 1: Paid-in capital refers to the amount in paid-in capital of the parent company. In the event the issuer's shares have no par value or a par value other than NT$10, the calculation of transaction amounts of 20% of paid-in capital will be substituted by the 10% of equity attributable to owners of the parent company.

Note 2: Actual expenditure amount of loan and and other receivables.

Sunny Friend Environmental Technology Co., Ltd.

Significant inter-company transactions during the reporting periods

January 1 to December 31, 2025

Table VI

Unit: NT$1,000

(Unless otherwise specified)

Code (Note 1)	Company Name	Counterparty	Relationship	Status of transaction: General ledger account	Amount		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Sunny Friend Environmental Technology Co., Ltd.	Chin Hsin Environmental Engineering Co., Ltd.	1	Account receivables	$	30,501	Note 7	0.30%
		Liang Wei Environmental Engineering Co., Ltd.	1	Account receivables		7,287	Note 7	0.07%
1	Chin Hsin Environmental Engineering Co., Ltd.	Sunny Friend Environmental Technology Co., Ltd.	2	Transportation revenue		283,825	Note 5	7.11%
3	Cheng Shin Environmental Engineering Co., Ltd.	Sunny Friend Environmental Technology Co., Ltd.	2	Transportation revenue		20,693	Note 5	0.52%
4	Liang Wei Environmental Engineering Co., Ltd.	Sunny Friend Environmental Technology Co., Ltd.	2	Transportation revenue		22,823	Note 5	0.57%
5	Beijing Ruentex Environmental Technology Co., Ltd.	Yuncheng Ruentex Environmental Technology Co., Ltd.	3	Other receivables		293,371	Note 6	2.92%
		Jiangsu Suqian Ruentex Environmental Control Co., Ltd.	3	Other receivables		85,281	Note 6	0.85%
		Rizhao Panyue Environmental Technology Co., Ltd.	3	Account receivables		6,636	Note 5	0.07%

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 the counterparty is classified into the following three categories; fill in the number of categories each case belongs to (If transactions between the parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose it 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) Parent company to second-tier subsidiaries.

(3) Subsidiary to subsidiary.

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

Note 4: A transaction amount in more than $6,000 will be disclosed. It will be disclosed in the asset and revenue aspects.

Note 5: There are no major abnormalities in the transaction terms and prices of the related party than non-related parties.

Note 6: Loans to others and interests receivable.

Note 7: It is the payment entrusted to be collected by the removal and transportation company according to the waste management contract, so it is recognized as accounts receivable.

Sunny Friend Environmental Technology Co., Ltd.

Names, locations and other information of investee companies (not including investees in China)

January 1 to December 31, 2025

Table VII

Unit: NT$1,000
(Unless otherwise specified)

Name of Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount: Balance at the end of the period	Initial investment amount: End of the previous year	Shares held as of the end of the period: Number of Shares	Shares held as of the end of the period: percentage %	Shares held as of the end of the period: Book value	Net profit (loss) of the investee for the current period (Note 2 (2))	Investment income (loss) recognized by the Company for the current period (Note 2(3))	Remarks
Sunny Friend Environmental Technology	Chin Hsin Environmental Engineering Co., Ltd.	Yunlin	Disposal of medical and industrial waste	$ 288,534	$ 288,534	26,415,300	57.42	$ 599,023	$ 247,739	$ 142,251	Subsidiary
	Full Giant Resources Ltd.	British Virgin Islands	Holding company	3,948,928 (USD 125,642,000)	4,119,801 (USD 125,642,000)	126,100,000	100.00	3,760,191	(256,633)	(256,633)	"
Chin Hsin Environmental Engineering Co., Ltd.	Liang Wei Environmental Engineering Co., Ltd.	Taoyuan	Disposal of medical and industrial waste	64,041	64,041	5,500,000	100.00	138,419	61,707	-	"
	Cheng Shin Environmental Engineering Co., Ltd.	Tainan	Disposal of medical waste	34,357	34,357	2,000,000	100.00	73,922	15,559	-	"
	Huan Hsin Precision Co., Ltd.	Yunlin	Manufacturing of building materials	-	25,000	-	-	-	(121)	-	"
Full Giant Resources Ltd.	Arise Profits Ltd.	British Virgin Islands	Investment	1,022,418 (USD 32,530,000)	1,066,659 (USD 32,530,000)	44,650,000	100.00	2,527,863	(156,809)	-	"

Note 1: If the publicly listed company has an overseas holding company and uses the consolidated financial report as the main financial report in accordance with the local laws and regulations, the disclosure of the overseas invested company may only disclose the relevant information of the holding company.

Note 2: Those that are not as described in Note 1 shall be filled in accordance with the following rules:

(1) "Investee," "Location," "Main business activities," "Initial investment amount," and "End-of-year shareholdings" are to be filled on order of the Company (publicly listed) and its re-investment and all investees either directly or indirectly invested and the further re-investment. The relation (either subsidiaries or second-tier subsidiaries) between investees and the Company (publicly listed) are to be specified in the remarks field.

(2) The field of "Net profit (loss) of the investee for the year ended" shall have the profit or loss of each investee filled in.

(3) The field of "Investment income (loss) recognized by the Company for the year ended" only requires the Company (publicly listed) to recognize the directly-invested subsidiaries and the profit or loss incurred by adopting the equity method, and the rest can be omitted. When filling in "Recognition of profit or loss in directly-invested subsidiaries for the year," make sure that the profit or loss of subsidiary have included their own profit or loss incurred in their re-investment.

Sunny Friend Environmental Technology Co., Ltd.

Information on investments in China - Basic information

January 1 to December 31, 2025

Table VIII

Unit: NT$1,000

(Unless otherwise specified)

Investee in China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China as of January 1, 2025	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to China as of December 31, 2025	Net profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the current period (Note 2)	Book value of investments in China as of December 31, 2025	Accumulated amount in investment income remitted back to Taiwan as of the end of the period	Remarks
					Remitted to	Remitted back							
Beijing Ruentex Environmental Technology Co., Ltd.	Environmental sanitation and pollution control service	$ 1,756,528 (USD 55,887,000)	(2)	$ 255,274 (USD 8,122,000)	$-	$-	$ 255,274 (USD 8,122,000)	($ 159,229)	100.00	($ 159,229)	$ 2,620,538	$-	Note 2 (2) B 、Note 3 、Note 6 and Note 9
Jiangsu Suqian Ruentex Environmental Control Co., Ltd.	Environmental sanitation and pollution control service	908,378 (RMB 198,490,000)	(2)	471,450 (USD 15,000,000)	-	-	471,450 (USD 15,000,000)	(38,966)	100.00	(38,966)	686,930	-	Note 2 (2) B 、Note 4、Note 5 and Note 6
Langfang Ruentex Environmental Technology Co., Ltd.	Environmental sanitation and pollution control service	- (USD 0)	(2)	47,145 (USD 1,500,000)	-	-	47,145 (USD 1,500,000)	(308)	100.00	(308)	-	-	Note 2 (2) B 、Note 5 and Note 8
Yuncheng Ruentex Environmental Technology Co., Ltd.	Environmental sanitation and pollution control service	1,682,185 (RMB 367,813,000)	(2)	628,000 (USD 20,000,000)	-	-	628,600 (USD 20,000,000)	(124,077)	100.00	(124,077)	1,212,019	-	Note 2 (2) B 、Note 5 、Note 6 and Note 7
Rizhao Panyue Environmental Technology Co., Ltd.	Environmental sanitation and pollution control service	694,873 (RMB 160,937,000)	(2)	825,466 (RMB 183,600,000)	-	-	825,466 (RMB 183,600,000)	(111,695)	100.00	(111,695)	523,667	-	Note 2 (2) B and Note 5

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

(1) Directly invest in a company in China.

(2) Through investing in an existing company in the third area (please specify the company), which then invested in China.

(3) Others.

Note 2: Net profit (loss) of the investee for the year:

(1) If it is still under preparation with no actual gain or loss, it shall be indicated in the box.

(2) The basis for recognition of the investment gains or losses is divided into the following three which shall be indicated in the box,

A. Financial statements audited and validated by an international accounting firm that has a collaborative relationship with CPA firms in Taiwan.

B. Financial statements audited and validated by a certified accountant or accounting firm who work with the parent company in Taiwan.

C. Financial statement completed in-house during the same period that has not been audited by a certified accountant.

Note 3: Through Full Giant Resources Ltd. an investment is made to Arise Profits Ltd, which then conducts another re-investment.

Note 4: On September 24, 2024, the Board of Directors resolved that the subsidiary Full Giant convert its loan to the Chinese subsidiary Suqian Ruentex into equity in the amount of US$13,500 thousand.
Approval was obtained from the Department of Investment Review, Ministry of Economic Affairs on November 28, 2024. The capital increase base date was April 25, 2025.The registration of the change was completed on September 19, 2025.

Note 5: Through Full Giant Resources Ltd. an investment is made to Arise Profits Ltd. Beijing Ruentex Environmental Technology Co., Ltd. which then conducts another re-investment.

Note 6: Invest through Full Giant Resources Ltd.

Note 7: On September 24, 2024, the Company's Board of Directors resolved to approve that the subsidiary Full Giant convert its loan to the Chinese subsidiary Yuncheng Ruentex into equity, in the amount of US$8,500 thousand and CNY¥175,950 thousand.
Approval was obtained from the Department of Investment Review, Ministry of Economic Affairs on November 28, 2024. The capital increase base date was April 25, 2025, and the change registration was completed on September 19, 2025.

Note 8: The Group resolved to withdraw from the investment project of its subsidiary, Langfang, as the project could not proceed due to the lack of suitable land and overall planning considerations. The cancellation procedure was completed on March 13, 2025.
On July 22, 2025, the Ministry of Economic Affairs Investment Commission approved the revocation of the aforementioned investment (Approval No. Jing-Shou-Shen-Zi 11420125170). The investment funds have been repatriated to Full Giant.

Note 9: On September 24, 2024, the Board of Directors resolved that the subsidiary Full Giant convert its loan to the Chinese subsidiary Beijing Ruentex into equity in the amount of US$3,800 thousand.
Approval was obtained from the Department of Investment Review, Ministry of Economic Affairs on September 3, 2025. The capital increase base date was September 8, 2025.The registration of the change was completed on December 30, 2025.

Company Name	Accumulated amount of remittance from Taiwan to China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in China imposed by the Investment Commission
Beijing Ruentex Environmental Technology Co., Ltd.	$255,274 (USD 8,122,000)	$1,838,655 (USD 58,500,000)	(Note 10)
Jiangsu Suqian Ruentex Environmental Technology Co., Ltd.	$471,450 (USD 15,000,000)	$900,994 (RMB 200,399,000)	(Note 10)
Langfang Ruentex Environmental Technology Co., Ltd.	$47,145 (USD 1,500,000)	$0 (USD 0)	(Note 10)
Yuncheng Ruentex Environmental Technology Co., Ltd.	$628,600 (USD 20,000,000)	$1,671,298 (RMB 371,730,000)	(Note 10)
Rizhao Panyue Environmental Technology Co., Ltd.	$825,466 (RMB 183,600,000)	$825,466 (RMB 183,600,000)	(Note 10)

Note 10: The limits are specified in accordance with the "Review for Conducting Investment or Technological Collaboration in China" by the Investment Commission of the Ministry of Economic Affairs. The Company has obtained an operating headquarters certificate from the Industrial Development Bureau of the Ministry of Economic Affairs, and the limit will not be applicable.