

**ACTER GROUP CORPORATION LIMITED AND
SUBSIDIARIES**
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024

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Independent Auditors' Review Report

The Board of Directors Acter Group Corporation Limited:

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$5,607,045 thousand and \$4,483,818 thousand, each constituting 15% of consolidated total assets; and the total liabilities amounting to \$2,856,196 thousand and \$2,118,050 thousand, each constituting 14% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive income amounting to \$226,865 thousand, \$265,421 thousand, \$345,974 thousand and \$310,475 thousand, constituting 40%, 21%, 26% and 15% of consolidated total comprehensive income for the three months and the six months ended June 30, 2025 and 2024.

Furthermore, as stated in Note 6(g), the other equity accounted investments of the Group in its investee companies of \$122,359 thousand and \$44,044 thousand as of June 30, 2025 and 2024, respectively, and share of profit (loss) of associates accounted for using equity method of \$25,855 thousand, \$(1,400) thousand, \$51,694 thousand and \$(254) thousand for the three months and the six months ended June 30, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors’ review report are Cheng-Hsueh Chen and Chien-Hui Lu.

KPMG

Taipei, Taiwan (Republic of China)

August 7, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2025, December 31, 2024 and June 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024				June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a))	\$ 10,723,372	29	9,899,280	29	9,615,611	33	2100	Short-term borrowings (Note 6(m))	\$ 736,804	2	479,667	2	701,822	2
1110	Current financial assets at fair value through profit or loss (Note 6(b))	639,396	2	664,261	2	433,252	1	2130	Current contract liabilities (Note 6(u))	5,391,047	15	4,042,698	12	3,338,694	11
1140	Current contract assets (Note 6(u))	6,884,880	19	6,581,692	19	4,690,994	16	2150	Notes payable	119,636	-	165,477	1	329,355	1
1150	Notes receivable, net (Note 6(e))	159,280	-	521,095	2	355,286	1	2170	Accounts payable	9,085,781	25	7,610,587	22	6,218,748	21
1170	Accounts receivable, net (Note 6(e))	11,515,610	31	8,606,782	25	6,750,573	23	2201	Accrued salaries and bonuses	650,870	2	961,852	3	556,063	2
1200	Other receivables	27,257	-	21,806	-	59,256	-	2216	Dividends payable	1,696,980	5	716,575	2	987,648	3
1220	Current tax assets	49,178	-	35,163	-	42,343	-	2230	Current tax liabilities	708,670	2	749,934	2	580,450	2
130X	Inventories, net (Note 6(f))	1,225,872	3	1,637,488	5	2,046,569	7	2250	Current provisions (Note 6(p))	498,860	1	565,539	2	489,764	2
1410	Prepayments	991,196	3	1,031,873	3	1,088,063	4	2280	Current lease liabilities (Note 6(o))	72,257	-	70,473	-	59,526	-
1470	Other current assets	494,153	1	580,613	2	531,269	2	2321	Current portion of bonds payable (Note 6(n))	-	-	44,330	-	246,511	1
1476	Other current financial assets (Note 8)	121,921	-	384,218	1	429,604	1	2399	Accrued expenses and other current liabilities (Note 9)	860,372	2	730,961	2	724,208	3
		<u>32,832,115</u>	<u>88</u>	<u>29,964,271</u>	<u>88</u>	<u>26,042,820</u>	<u>88</u>			<u>19,821,277</u>	<u>54</u>	<u>16,138,093</u>	<u>48</u>	<u>14,232,789</u>	<u>48</u>
Non-current assets:								Non-current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	41,763	-	41,541	-	35,917	-	2550	Non-current provisions (Note 6(p))	2,500	-	2,500	-	2,500	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	2,325,337	7	2,337,992	7	1,961,720	7	2570	Deferred tax liabilities	1,117,902	3	1,107,953	3	882,963	3
1535	Non-current financial assets at amortized cost (Note 6(d))	69,374	-	39,163	-	-	-	2580	Non-current lease liabilities (Note 6(o))	70,509	-	72,450	-	68,312	-
1550	Investments accounted for using equity method (Note 6(g))	122,359	-	78,194	-	44,044	-	2640	Net defined benefit liability, non-current	27,642	-	30,221	-	33,216	-
1600	Property, plant and equipment (Note 6(i))	829,605	2	833,112	2	773,826	3	2645	Guarantee deposits	152	-	152	-	152	-
1755	Right-of-use assets (Note 6(j))	192,937	1	198,626	1	184,845	1			<u>1,218,705</u>	<u>3</u>	<u>1,213,276</u>	<u>3</u>	<u>987,143</u>	<u>3</u>
1760	Investment property, net (Note 6(k))	217,560	1	218,142	1	220,841	1	Total liabilities		<u>21,039,982</u>	<u>57</u>	<u>17,351,369</u>	<u>51</u>	<u>15,219,932</u>	<u>51</u>
1780	Intangible assets (Note 6(l))	68,127	-	81,349	-	68,902	-	Equity attributable to owners of parent (Note 6(r)):							
1840	Deferred tax assets	428,401	1	221,267	1	162,504	-	3100	Ordinary shares	620,405	2	620,405	2	620,405	2
1990	Other non-current assets (Note 8)	50,973	-	64,022	-	91,655	-	3200	Capital surplus	3,810,385	10	3,797,691	11	3,674,515	13
		<u>4,346,436</u>	<u>12</u>	<u>4,113,408</u>	<u>12</u>	<u>3,544,254</u>	<u>12</u>	3300	Retained earnings	5,829,004	16	5,565,062	16	4,814,876	16
								3400	Other equity	484,157	1	986,962	3	686,294	2
										<u>10,743,951</u>	<u>29</u>	<u>10,970,120</u>	<u>32</u>	<u>9,796,090</u>	<u>33</u>
								Total equity attributable to owners of parent		<u>10,743,951</u>	<u>29</u>	<u>10,970,120</u>	<u>32</u>	<u>9,796,090</u>	<u>33</u>
								36XX	Non-controlling interests	5,394,618	14	5,756,190	17	4,571,052	16
										<u>16,138,569</u>	<u>43</u>	<u>16,726,310</u>	<u>49</u>	<u>14,367,142</u>	<u>49</u>
								Total equity		<u>16,138,569</u>	<u>43</u>	<u>16,726,310</u>	<u>49</u>	<u>14,367,142</u>	<u>49</u>
								Total liabilities and equity		<u>\$ 37,178,551</u>	<u>100</u>	<u>34,077,679</u>	<u>100</u>	<u>29,587,074</u>	<u>100</u>
Total assets		<u>\$ 37,178,551</u>	<u>100</u>	<u>34,077,679</u>	<u>100</u>	<u>29,587,074</u>	<u>100</u>			<u>\$ 37,178,551</u>	<u>100</u>	<u>34,077,679</u>	<u>100</u>	<u>29,587,074</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three Months and Six Months Ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the Three Months ended June 30				For the Six Months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenues: (Note 6(u))								
4521	Engineering revenue	\$ 10,535,273	97	7,456,301	97	18,999,345	98	12,837,718	98
4529	Allowances	(5,630)	-	(972)	-	(7,024)	-	(8,762)	-
		10,529,643	97	7,455,329	97	18,992,321	98	12,828,956	98
4100	Net sales revenue	378,239	3	204,254	3	471,584	2	307,362	2
		10,907,882	100	7,659,583	100	19,463,905	100	13,136,318	100
	Operating cost:								
5520	Cost of engineering sales (Notes 6(o) and 7(b))	8,492,539	78	5,682,373	74	15,429,825	79	9,938,497	76
5110	Costs of sales (Note 6(f))	314,557	3	188,311	3	396,846	2	271,659	2
		8,807,096	81	5,870,684	77	15,826,671	81	10,210,156	78
	Gross profit	2,100,786	19	1,788,899	23	3,637,234	19	2,926,162	22
	Operating expenses (Note 6(o)):								
6100	Selling expenses	70,735	1	75,382	1	155,305	1	164,808	1
6200	Administrative expenses	329,239	2	275,733	4	652,624	4	553,345	4
6300	Research and development expenses	75,306	1	153,525	2	155,990	1	230,040	2
6450	Expected credit loss (Note 6(e))	56,861	1	28,962	-	81,010	-	26,043	-
		532,141	5	533,602	7	1,044,929	6	974,236	7
	Net operating income	1,568,645	14	1,255,297	16	2,592,305	13	1,951,926	15
	Non-operating income and expenses: (Note 6(w))								
7050	Finance costs	(6,995)	-	(5,461)	-	(14,268)	-	(11,360)	-
7100	Interest income	44,375	1	54,505	1	92,798	-	92,580	1
7010	Other income	16,937	-	9,270	-	23,018	-	27,772	-
7070	Share of profit (loss) of associates accounted for using equity method, net (Note 6(g))	25,855	-	(1,400)	-	51,694	-	(254)	-
7020	Other gains and losses, net	(117,793)	(1)	31,741	1	(81,590)	-	87,889	-
		(37,621)	-	88,655	2	71,652	-	196,627	1
	Profit before income tax	1,531,024	14	1,343,952	18	2,663,957	13	2,148,553	16
7950	Less: income tax expense (Note 6(q))	433,170	4	376,945	5	689,644	3	594,188	4
	Profit from continuing operations	1,097,854	10	967,007	13	1,974,313	10	1,554,365	12
8300	Other comprehensive income (loss):								
8310	Items that may not be reclassified subsequently to profit or loss								
8311	Remeasurements effects on defined benefit plans	74	-	288	-	74	-	288	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	154,964	1	276,553	3	(63,856)	-	419,291	3
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		155,038	1	276,841	3	(63,782)	-	419,579	3
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign operations	(876,437)	(8)	65,615	1	(760,608)	(4)	189,631	1
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	441	-	(1,425)	-	875	-	(2,980)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(q))	193,907	2	(15,084)	-	167,222	1	(55,669)	-
		(682,089)	(6)	49,106	1	(592,511)	(3)	130,982	1
8300	Other comprehensive (loss) income, net of tax	(527,051)	(5)	325,947	4	(656,293)	(3)	550,561	4
8500	Comprehensive income	\$ <u>570,803</u>	<u>5</u>	<u>1,292,954</u>	<u>17</u>	<u>1,318,020</u>	<u>7</u>	<u>2,104,926</u>	<u>16</u>
	Profit attributable to:								
8610	Owners of parent	\$ 861,850	8	816,895	11	1,504,703	8	1,244,703	10
8620	Non-controlling interests	236,004	2	150,112	2	469,610	2	309,662	2
		\$ <u>1,097,854</u>	<u>10</u>	<u>967,007</u>	<u>13</u>	<u>1,974,313</u>	<u>10</u>	<u>1,554,365</u>	<u>12</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 495,069	4	1,127,105	15	1,001,946	5	1,762,162	13
8720	Non-controlling interests	75,734	1	165,849	2	316,074	2	342,764	3
		\$ <u>570,803</u>	<u>5</u>	<u>1,292,954</u>	<u>17</u>	<u>1,318,020</u>	<u>7</u>	<u>2,104,926</u>	<u>16</u>
	Earnings per share (attributable to Owners of parent) (Note 6(t))								
9750	Basic earnings per share	\$ <u>6.95</u>		<u>6.58</u>		<u>12.13</u>		<u>10.03</u>	
9850	Diluted earnings per share	\$ <u>6.94</u>		<u>6.57</u>		<u>12.08</u>		<u>9.98</u>	

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

**Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent										
	Retained earnings						Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total Other equity	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 620,405	3,707,948	1,230,741	19,252	3,064,378	4,314,371	(142,188)	311,311	169,123	4,272,974	13,084,821
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	85,479	-	(85,479)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(744,486)	(744,486)	-	-	-	-	(744,486)
Reversal of special reserve	-	-	-	(985)	985	-	-	-	-	-	-
Other changes in capital surplus	-	66	-	-	-	-	-	-	-	-	66
Net income	-	-	-	-	1,244,703	1,244,703	-	-	-	309,662	1,554,365
Other comprehensive income, net of income tax	-	-	-	-	288	288	123,287	393,884	517,171	33,102	550,561
Total comprehensive income	-	-	-	-	1,244,991	1,244,991	123,287	393,884	517,171	342,764	2,104,926
From share of changes in equities of subsidiaries	-	(33,499)	-	-	-	-	-	-	-	-	(33,499)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(44,686)	(44,686)
Balance at June 30, 2024	\$ 620,405	3,674,515	1,316,220	18,267	3,480,389	4,814,876	(18,901)	705,195	686,294	4,571,052	14,367,142
Balance at January 1, 2025	\$ 620,405	3,797,691	1,440,691	18,539	4,105,832	5,565,062	(314)	987,276	986,962	5,756,190	16,726,310
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	137,087	-	(137,087)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,240,809)	(1,240,809)	-	-	-	-	(1,240,809)
Reversal of special reserve	-	-	-	(39)	39	-	-	-	-	-	-
Other changes in capital surplus	-	589	-	-	-	-	-	-	-	-	589
Net income	-	-	-	-	1,504,703	1,504,703	-	-	-	469,610	1,974,313
Other comprehensive income (loss), net of income tax	-	-	-	-	48	48	(441,893)	(60,912)	(502,805)	(153,536)	(656,293)
Total comprehensive income (loss)	-	-	-	-	1,504,751	1,504,751	(441,893)	(60,912)	(502,805)	316,074	1,318,020
From share of changes in equities of subsidiaries	-	12,105	-	-	-	-	-	-	-	-	12,105
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(677,646)	(677,646)
Balance at June 30, 2025	\$ 620,405	3,810,385	1,577,778	18,500	4,232,726	5,829,004	(442,207)	926,364	484,157	5,394,618	16,138,569

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
Cash flows from operating activities:		
Profit before income tax	\$ 2,663,957	2,148,553
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (Including investment property)	77,662	71,566
Amortization	22,639	23,071
Excepted credit loss	81,010	26,043
Interest expense	14,268	11,360
Interest income	(92,798)	(92,580)
Dividend income	(14,987)	(14,067)
Shares of (profits) losses of associates accounted for using equity method	(51,694)	254
Net loss (gain) on financial assets at fair value through profit or loss	12,765	(9,280)
Loss (gain) on disposal of property, plant and equipment	6,738	(2,169)
Gain on disposal of investment property	-	(8,336)
Loss on disposal of intangible assets	127	-
Loss on disposal of investment	-	124
Lease modification benefits and others	(1,124)	(420)
Total adjustments to reconcile profit (loss)	54,606	5,566
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	7,604	(35,887)
Increase in contract assets	(303,188)	(354,455)
Decrease (increase) in notes receivable	405,260	(27,615)
Increase in accounts receivable	(2,995,615)	(512,766)
Decrease in inventories	411,616	100,415
Decrease (increase) in other operating assets	376,932	(30,886)
Total changes in operating assets	(2,097,391)	(861,194)
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	1,348,349	(126,674)
(Decrease) increase in notes payable	(45,841)	184,266
Increase in accounts payable (including related parties)	1,475,194	29,066
(Decrease) increase in provisions	(35,121)	106,658
Decrease in other operating liabilities	(186,798)	(20,912)
Total changes in operating liabilities	2,555,783	172,404
Total adjustments	512,998	(683,224)
Cash inflow generated from operations	3,176,955	1,465,329
Interest received	97,400	90,482
Interest paid	(11,502)	(12,305)
Income taxes paid	(760,442)	(450,590)
Net cash provided by operating activities	2,502,411	1,092,916
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(97,005)	(113,088)
Disposal of financial assets at fair value through other comprehensive income	-	79,628
Acquisition of financial assets at amortized cost	(30,000)	-
Acquisition of financial assets at fair value through profit or loss	(456)	(33,679)
Disposal of financial assets at fair value through profit or loss	151	-
Acquisition of property, plant and equipment	(72,105)	(60,508)
Proceeds from disposal of property, plant and equipment	498	2,484
Acquisition of intangible assets	(8,857)	(15,587)
Acquisition of right-of-use assets	(3,631)	(36,743)
Proceeds from disposal of investment property	-	58,496
Decrease (increase) in other non-current assets	12,898	(37,828)
Dividends received	14,987	14,067
Net cash used in investing activities	(183,520)	(142,758)
Cash flows from financing activities:		
Increase in short-term loans	1,174,351	905,525
Repayments of short-term loans	(857,965)	(762,990)
Payment of lease liabilities	(39,222)	(41,155)
Cash dividends paid	(620,404)	(558,364)
Other changes in capital surplus	589	66
Change in non-controlling interests	(173,873)	(58,263)
Net cash used in financing activities	(516,524)	(515,181)
Effect of exchange rate changes on cash and cash equivalents	(978,275)	229,425
Net increase in cash and cash equivalents	824,092	664,402
Cash and cash equivalents at beginning of period	9,899,280	8,951,209
Cash and cash equivalents at end of period	\$ 10,723,372	9,615,611

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Acter Group Corporation Limited (the “Company”) was incorporated on February 19, 1979, under the approval of the Ministry of Economic Affairs, R.O.C. The Company’s registered office address is located at 19F-1, No.201, Sec.2, Wenxin Road, Xitun District., Taichung City, Taiwan (R.O.C.). The consolidated financial statements of the Company as of and for the year ended June 30, 2025 comprised the Company and its subsidiaries (together referred to as the “Group”). The Company is engaged in providing construction, design, and maintenance services related to air conditioners, environmental control services, clean room set-up, ice water machine trading, energy storing equipment trading, ventilation engineering and energy technology services. The principal operating activities of the Group’s entities are described in Note 4(b). Acter’s common shares were publicly listed on the Taipei Exchange (“TPEX”) on November 10, 2010.

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

The consolidated financial statements were authorized for issue by the Board of Directors on August 7, 2025.

(3) New standards, amendments and interpretations adopted

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

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

- Amendments to IAS 21 “Lack of Exchangeability”

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

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

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments,	January 1, 2027

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

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

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

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

(4) Summary of material accounting policies

(a) Statement of compliance

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Notes
			June 30, 2025	December 31, 2024	June 30, 2024	
(1) The Company	Nova Technology Corp. (Nova Tech)	Wholesale assemble, maintenance and design of electronic and chemical equipment	55.52	55.94	57.97	
	Her Suo Engineering Co., Ltd. (Her Suo)	Construction and set up of freezing equipment	100	100	100	Note 12
	Enrich Tech Co., Ltd. (Enrich Tech)	Comprehensive construction company	56.94	56.94	56.94	Note 12
	Sheng Huei International Co. Ltd. (SHI)	Investment holding company	100	100	100	
	Hengji Construction Co., Ltd. (Hengji)	Assigning contractors to build civil buildings, commercial buildings for sale or lease and related business	-	-	55	Note 1 and Note 12
	Sheng Huei Technology India Private Limited. (Acter India)	Construction and set up of electronic equipment and air conditioners	99	99	-	Note 3 and Note 12
(2) Nova Tech	Suzhou Winmax Technology Corp. (Suzhou Winmax)	Design and manufacture of air containers and liquid containers	86.59	86.59	86.59	Note 4
	Winmega Technology Corp. (Winmega)	Wholesale of electronic and chemical engineering equipment	100	100	100	
	Rayzher Industrial Co., Ltd. (Rayzher)	Piping engineering, installation cable and automatic control equipment, etc.	41.47	41.47	45.59	Note 2
	Dadewin Technology Corp. (Dadewin)	Engineering graphic design, etc.	80	80	80	Note 12
	Theory High Tech Solutions Co., Ltd. (Theory High Tech)	Contracting of waste chemical recycling system business	53	-	-	Note 10 and Note 12
(3) Rayzher	Rayzher Technology Co., Ltd. (Japan Rayzher)	Piping engineering and equipment sales of gas supply system, etc.	80	100	100	Note 5
	Rayzher Technology Singapore Pte. Ltd. (Singapore Rayzher)	Piping engineering and equipment sales of gas supply system, etc.	100	100	-	Note 6
	Rayzher Technology Usa Inc. (USA Rayzher)	Piping engineering and equipment sales of gas supply system, etc.	100	-	-	Note 11 and Note 12
(4) Suzhou Winmax	Winmax Technology Corp. (Winmax)	Design and manufacture of air containers and liquid containers	100	100	100	
	Novatech Engineering & Construction Pte. Ltd. (NTEC)	Chemical supply system business	100	100	100	Note 12
(5) NTEC	Winmax Technology Malaysia Sdn. Bhd. (Malaysia Winmax)	Chemical supply system business	100	100	-	Note 7 and Note 12
(6) Her Suo	Acter India	Construction and set up of electronic equipment and air conditioners	1	1	-	Note 3 and Note 12
(7) Enrich Tech	Hengji	Assigning contractors to build civil buildings, commercial buildings for sale or lease and related business	-	-	13	Note 1 and Note 12
(8) SHI	Acter Technology Integration Group Co., Ltd. (Acter Integration)	Construction and set up of electronic equipment and air conditioners	65	65	65	
	New Point Group Limited (New Point)	Trading of equipment	100	100	100	Note 12

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Notes
			June 30, 2025	December 31, 2024	June 30, 2024	
(9) Acter Integration	Shenzhen Dingmao Trade Co., Ltd. (Shenzhen Dingmao)	Electronic equipment and machinery trading	100	100	100	Note 12
	Sheng Huei (Shenzhen) Engineering Co., Ltd. (Shenzhen Sheng Huei)	Construction and set up of electronic equipment and air conditioners	100	100	100	Note 12
	Acter International Limited (AIL)	Investment holding company and trading of clean rooms and air conditioners	100	100	100	Note 12
	Acter Technology Singapore Pte. Ltd. (Acter Singapore)	Investment holding company	100	100	100	Note 12
	PT Acter Integration Technology Indonesia (Acter Integration Indonesia)	Industrial building construction, electrical installation, water supply and drainage installation, air conditioning installation, mechanical installation, and related activities.	67	67	67	Note 12
	Sheng Huei Engineering Technology Company Limited (Acter Vietnam)	Set up of electronic protection systems and central air conditioners	36.36	36.36	36.36	Note 8 and Note 12
	Acter Technology Malaysia Sdn. Bhd. (Acter Malaysia)	Construction and set up of electronic equipment and air conditioners	77.03	77.03	-	Note 9 and Note 12
(10) Acter Singapore	Acter Malaysia	Construction and set up of electronic equipment and air conditioners	22.97	22.97	100	Note 9 and Note 12
	PT Acter Technology Indonesia (Acter Indonesia)	Equipment trading and set up	99	99	99	Note 12
	Acter Technology Co., Ltd. (Acter Thailand)	Set up of electronic protection systems and central air conditioners	49	49	49	Note 12
(11) AIL	Acter Indonesia	Equipment trading and set up	1	1	1	Note 12
	Acter Vietnam	Set up of electronic protection systems and central air conditioners	63.64	63.64	63.64	Note 8 and Note 12

Note 1: The liquidation process of Hengji was completed in August 2024.

Note 2: Rayzher completed its cash capital increase and issued 3,145 thousand of new shares in November 2024, the Group did not purchase new shares in accordance with the shareholding ratio, and the ratio was reduced from 45.59% to 41.47%. Although the Group does not hold more than half of the voting shares of Rayzher, it has control over its major operating activities and other decisions. Therefore, the Group still included Rayzher as one of its consolidated entities in its consolidated financial statements.

Note 3: The Company established the subsidiary Sheng Huei Technology India Private Limited in December 2024, which is held 99% by the Company and 1% by Her Suo.

Note 4: Suzhou Winmax issued restricted stock to employee in April 2024. The shareholding ratio was reduced from 100% to 86.59%.

Note 5: Rayzher established the subsidiary Rayzher Technology Co., Ltd. in April 2024, with 100% of the shares held by Rayzher. Japan Rayzher completed cash capital increase in June 2025. The Group did not participate, resulting in the Group's ownership decreasing from 100% to 80%. As of June 30, 2025, the impact of the aforementioned transaction on the consolidated financial statements was assessed to be immaterial.

Note 6: Rayzher established the subsidiary Rayzher Technology Singapore Pte. Ltd. in October 2024, with 100% of the shares held by Rayzher.

Note 7: NTEC established the subsidiary Winmax Technology Malaysia Sdn. Bhd. in December 2024, with 100% of the shares held by NTEC.

Note 8: Acter Vietnam completed cash capital increase in May 2024, and Acter Integration purchased all new shares. After the issuance, Acter Vietnam is held 36.36% by Acter Integration and 63.64% by AIL.

Note 9: Acter Malaysia completed cash capital increase in November 2024, and Acter Integration purchased all new shares. After the issuance, Acter Malaysia is held 77.03% by Acter Integration and 22.97% by Acter Singapore.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 10: Nova Tech established the subsidiary Theory High Tech Solutions Co., Ltd. in January 2025, with 53% of the shares held by Nova Tech.

Note 11: Rayzher established the subsidiary Rayzher Technology Usa Inc. in May 2025, with 100% of the shares held by Rayzher. No capital has been injected as of June 30, 2025.

Note 12: This is an immaterial subsidiary whose financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statement: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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

(d) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially-determined pension cost rate at the end of prior fiscal year, adjusted for significant market fluctuations subsequent to the end of prior fiscal year and for significant curtailments, settlements, or other significant one-time events.

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

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

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those described in Note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Petty cash and cash on hand	\$ 3,983	3,734	2,754
Checking and demand deposits	4,259,736	3,574,900	4,792,957
Time deposits	4,544,810	4,600,713	3,559,194
Cash equivalent – repurchased commercial paper	1,914,843	1,719,933	1,260,706
	<u>\$ 10,723,372</u>	<u>9,899,280</u>	<u>9,615,611</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss – current:			
Non-derivative financial assets			
Structured deposits	\$ -	224,134	-
Beneficiary securities - open-end funds	581,887	380,690	370,836
Special shares	-	19,620	19,520
Corporate bonds	18,493	21,380	21,982
Domestic listed stocks	39,016	18,437	20,888
Financial assets designated at fair value through profit or loss – current:			
Unsecured convertible corporate bonds - call options	-	-	26
	<u>\$ 639,396</u>	<u>664,261</u>	<u>433,252</u>
Financial assets designated at fair value through profit or loss – non-current:			
Special shares	\$ 9,609	9,404	3,675
Domestic financial bonds	32,154	32,137	32,242
	<u>\$ 41,763</u>	<u>41,541</u>	<u>35,917</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Debt investments at fair value through other comprehensive income – non-current:			
Corporate bonds	\$ 323,561	350,381	286,942
Foreign government bonds	16,663	18,437	-
Equity investments at fair value through other comprehensive income – non-current:			
Domestic listed stocks	1,933,144	1,905,587	1,618,455
Domestic emerging stocks	1,283	2,830	4,875
Domestic unlisted stocks	2,531	2,716	2,716
Foreign listed stocks	48,155	58,041	48,732
	<u>\$ 2,325,337</u>	<u>2,337,992</u>	<u>1,961,720</u>

(i) Debt investments at fair value through other comprehensive income

The Group has assessed that the following securities were held within a business model whose objective was achieved by both collecting the contractual cash flows and selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

(ii) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long term strategic purposes.

(iii) For credit risk and market risk, please refer to Note 6(x).

(iv) The financial assets were not pledged.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(d) Financial assets measured at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets measured at amortized cost—non-current			
Domestic financial bonds	<u>\$ 69,374</u>	<u>39,163</u>	<u>-</u>

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

(i) For credit risk, please refer to Note 6(x).

(ii) The financial assets were not pledged.

(e) Notes and accounts receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 163,879	569,139	355,286
Less: loss allowance	<u>(4,599)</u>	<u>(48,044)</u>	<u>-</u>
	<u>\$ 159,280</u>	<u>521,095</u>	<u>355,286</u>
Accounts receivable	\$ 11,882,601	8,886,985	6,913,212
Less: loss allowance	<u>(366,991)</u>	<u>(280,203)</u>	<u>(162,639)</u>
	<u>\$ 11,515,610</u>	<u>8,606,782</u>	<u>6,750,573</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	June 30, 2025		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 10,806,877	-	-
121 to 180 days	156,685	0.5%	783
181 to 360 days	564,592	0%~1%	5,125
361 to 540 days	253,552	40%~50%	114,836
More than 541 days	199,256	100%	199,256
	<u>\$ 11,980,962</u>		<u>320,000</u>

	December 31, 2024		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 8,306,554	-	-
121 to 180 days	192,396	0.5%	962
181 to 360 days	511,491	1%	5,115
361 to 540 days	212,340	40%~50%	102,756
More than 541 days	157,103	100%	157,103
	<u>\$ 9,379,884</u>		<u>265,936</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	June 30, 2024		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 5,927,128	-	-
121 to 180 days	390,377	0.5%	1,952
181 to 360 days	671,113	1%	6,711
361 to 540 days	162,229	40%~50%	66,836
More than 541 days	35,939	100%	35,939
	\$ 7,186,786		111,438

The loss allowance from the other group were determined as follows:

	June 30, 2025		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 50,166	72.24%	36,238
121 to 180 days	-	-	-
181 to 360 days	-	-	-
361 to 540 days	-	-	-
More than 541 days	15,352	100%	15,352
	\$ 65,518		51,590

	December 31, 2024		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 59,326	76.52%	45,397
121 to 180 days	-	-	-
181 to 360 days	-	-	-
361 to 540 days	-	-	-
More than 541 days	16,914	100%	16,914
	\$ 76,240		62,311

	June 30, 2024		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 15,928	12.56%	2,000
121 to 180 days	4,896	-	-
181 to 360 days	11,687	-	-
361 to 540 days	-	-	-
More than 541 days	49,201	100%	49,201
	\$ 81,712		51,201

The movement in the allowance for notes and accounts receivables were as follows:

	For the six months ended June 30	
	2025	2024
Balance at January 1	\$ 328,247	132,108
Impairment losses recognized	78,772	26,043
Effect of exchange rate changes	(35,429)	4,488
Balance at June 30	\$ 371,590	162,639

The notes and accounts receivables were not pledged.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(f) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods and merchandise	\$ 142,177	90,036	83,536
Work in process and semi-finished goods	3,366	2,139	4,139
Raw materials	<u>1,193,827</u>	<u>1,652,847</u>	<u>2,029,499</u>
	1,339,370	1,745,022	2,117,174
Less: provision for inventory devaluation	<u>(113,498)</u>	<u>(107,534)</u>	<u>(70,605)</u>
	<u>\$ 1,225,872</u>	<u>1,637,488</u>	<u>2,046,569</u>

For the three months and the six months ended June 30, 2025 and 2024, the Group recognized the operating costs of \$4,924 thousand, \$8,371 thousand, \$10,099 thousand and \$16,430 thousand, respectively, from the write-down of inventory cost to net realizable value.

No inventories were pledged as collaterals.

(g) Investments accounted for using equity method

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u>\$ 122,359</u>	<u>78,194</u>	<u>44,044</u>

(i) Associates

The Group's equity-accounted investment in all individually immaterial associates and the Group's share of the operating results are summarized below:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Attributable to the Group:				
Profit (loss)	\$ 25,855	(1,400)	51,694	(254)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprehensive income (loss)	<u>\$ 25,855</u>	<u>(1,400)</u>	<u>51,694</u>	<u>(254)</u>

(ii) Pledge

The investment accounted for using equity method was not pledged.

(iii) Investments accounted for using equity method which have not been reviewed

Investments were accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main Business Location/ Registered Country	Percentage of non-controlling interests		
		June 30, 2025	December 31, 2024	June 30, 2024
Nova Tech	R.O.C.	44.48%	44.06%	42.03%
Rayzher	R.O.C.	58.53%	58.53%	54.41%
Acter Integration	China	35.00%	35.00%	35.00%

The following information on the aforementioned subsidiaries have been prepared in accordance with IFRS Accounting Standards endorsed by the FSC. Included in this information are adjustment made about the fair value and relevant difference in accounting principles between the Company and its subsidiaries as at acquisition date. Intra-Group transactions were not eliminated in this information.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Information regarding of Nova Tech:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current assets	\$ 2,541,238	2,506,737	2,325,830
Non-current assets	4,342,671	4,415,703	3,470,119
Current liabilities	(2,031,262)	(1,612,257)	(1,669,611)
Non-current Liabilities	<u>(353,980)</u>	<u>(338,743)</u>	<u>(207,100)</u>
Net assets	<u>\$ 4,498,667</u>	<u>4,971,440</u>	<u>3,919,238</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating revenue	<u>\$ 315,420</u>	<u>350,498</u>	<u>606,433</u>	<u>831,925</u>
Net income for the period	\$ 154,830	151,509	386,826	395,092
Other comprehensive (loss) income	<u>(236,979)</u>	<u>43,694</u>	<u>(227,113)</u>	<u>117,010</u>
Comprehensive (loss) income	<u>\$ (82,149)</u>	<u>195,203</u>	<u>159,713</u>	<u>512,102</u>

Net cash flows from operating activities	\$ 183,237	330,340
Net cash flows from investing activities	289,589	320,355
Net cash flows from financing activities	<u>(229,375)</u>	<u>(256,320)</u>
Net increase in cash and cash equivalents	<u>\$ 243,451</u>	<u>394,375</u>

(ii) Information regarding of Rayzher:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current assets	\$ 2,489,558	2,277,975	1,755,718
Non-current assets	375,190	368,329	308,440
Current liabilities	(850,707)	(601,753)	(614,164)
Non-current liabilities	<u>(16,055)</u>	<u>(21,470)</u>	<u>(19,890)</u>
Net assets	<u>\$ 1,997,986</u>	<u>2,023,081</u>	<u>1,430,104</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating revenue	<u>\$ 677,524</u>	<u>465,571</u>	<u>1,177,169</u>	<u>849,977</u>
Net income for the period	\$ 98,639	40,107	166,745	103,251
Other comprehensive loss	<u>(1,360)</u>	<u>(505)</u>	<u>(742)</u>	<u>(505)</u>
Comprehensive income	<u>\$ 97,279</u>	<u>39,602</u>	<u>166,003</u>	<u>102,746</u>

Net cash flows from operating activities	\$ 92,528	85,792
Net cash flows from investing activities	(31,997)	(19,689)
Net cash flows from financing activities	<u>(5,870)</u>	<u>(125,638)</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ 54,661</u>	<u>(59,535)</u>

(iii) Information regarding of Acter Integration:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current assets	\$ 5,469,568	5,721,762	5,804,925
Non-current assets	1,979,546	1,944,982	1,680,036
Current liabilities	(2,951,939)	(2,640,876)	(2,711,162)
Non-current liabilities	<u>(128,979)</u>	<u>(112,386)</u>	<u>(81,306)</u>
Net assets	<u>\$ 4,368,196</u>	<u>4,913,482</u>	<u>4,692,493</u>

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	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Operating revenue	<u>\$ 1,335,450</u>	<u>1,702,989</u>	<u>2,393,944</u>	<u>2,876,186</u>
Net income for the period	\$ 149,885	176,835	256,975	229,701
Other comprehensive loss	(7,503)	(7,055)	(26,193)	(44,895)
Comprehensive income	<u>\$ 142,382</u>	<u>169,780</u>	<u>230,782</u>	<u>184,806</u>
Net cash flows from operating activities			\$ 73,737	(114,444)
Net cash flows from investing activities			197,562	(232,763)
Net cash flows from financing activities			(222,185)	(299,791)
Effect of exchange rate changes			(161,167)	77,818
Net decrease in cash and cash equivalents			<u>\$ (112,053)</u>	<u>(569,180)</u>

(i) Property, plant and equipment

	Land	Building and construction	Other facilities	Unfinished construction and equipment under acceptance	Total
Carrying amounts:					
Balance at January 1, 2025	<u>\$ 364,503</u>	<u>288,938</u>	<u>149,845</u>	<u>29,826</u>	<u>833,112</u>
Balance at June 30, 2025	<u>\$ 364,503</u>	<u>257,933</u>	<u>126,961</u>	<u>80,208</u>	<u>829,605</u>
Balance at January 1, 2024	<u>\$ 344,703</u>	<u>237,875</u>	<u>126,482</u>	<u>58,446</u>	<u>767,506</u>
Balance at June 30, 2024	<u>\$ 344,703</u>	<u>259,643</u>	<u>137,164</u>	<u>32,316</u>	<u>773,826</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the six months ended June 30, 2025 and 2024. Information on depreciation for the period is discussed in Note 12. Please refer to Note 6(i) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(j) Right-of-use assets

	Land	Building and construction	Other facilities	Total
Carrying amounts:				
Balance at January 1, 2025	<u>\$ 58,804</u>	<u>94,159</u>	<u>45,663</u>	<u>198,626</u>
Balance at June 30, 2025	<u>\$ 52,754</u>	<u>93,518</u>	<u>46,665</u>	<u>192,937</u>
Balance at January 1, 2024	<u>\$ 26,358</u>	<u>85,829</u>	<u>54,664</u>	<u>166,851</u>
Balance at June 30, 2024	<u>\$ 59,383</u>	<u>74,941</u>	<u>50,521</u>	<u>184,845</u>

There were no significant additions or recognition and reversal of impairment losses of right-of-use assets arising from leases of land, buildings, machinery, and transportation equipment for the six months ended June 30, 2025 and 2024. Information on depreciation for the period is discussed in Note 12. Please refer to Note 6(j) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(k) Investment Property

Investment property comprises office buildings that are leased to third parties under operating leases, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 year. For all investment property leases, the rental income is fixed under the contracts.

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The movements in investment property for the Group were as follows:

	Owned property		Right-of-use assets	Total
	Land and improvement	Building and construction	Land	
Carrying amounts:				
Balance at January 1, 2025	<u>\$ 115,341</u>	<u>97,159</u>	<u>5,642</u>	<u>218,142</u>
Balance at June 30, 2025	<u>\$ 115,341</u>	<u>97,192</u>	<u>5,027</u>	<u>217,560</u>
Balance at January 1, 2024	<u>\$ 139,922</u>	<u>92,206</u>	<u>1,476</u>	<u>233,604</u>
Balance at June 30, 2024	<u>\$ 115,341</u>	<u>99,766</u>	<u>5,734</u>	<u>220,841</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2025 and 2024. Information on depreciation for the period is discussed in Note 12. Please refer to Note 6(k) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

The fair value of investment property was not significantly different from those disclosed in Note 6(k) to the annual consolidated financial statements for the year ended December 31, 2024.

(l) Intangible assets

	Software	Dedicated certificate	Franchise and others	Total
Carrying amounts:				
Balance at January 1, 2025	<u>\$ 68,388</u>	<u>5,740</u>	<u>7,221</u>	<u>81,349</u>
Balance at June 30, 2025	<u>\$ 58,199</u>	<u>2,750</u>	<u>7,178</u>	<u>68,127</u>
Balance at January 1, 2024	<u>\$ 39,164</u>	<u>28,702</u>	<u>7,431</u>	<u>75,297</u>
Balance at June 30, 2024	<u>\$ 44,394</u>	<u>17,221</u>	<u>7,287</u>	<u>68,902</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2025 and 2024. Information on amortization for the period is discussed in Note 12. Please refer to Note 6(l) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(m) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	<u>\$ 736,804</u>	<u>479,667</u>	<u>701,822</u>
Unused facilities	<u>\$ 24,143,358</u>	<u>24,804,219</u>	<u>21,377,539</u>
Interest rates	<u>1.39%~3.67%</u>	<u>1.39%~8%</u>	<u>1.79%~3.55%</u>

(n) Bonds payable

The details of unsecured convertible bonds were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total convertible corporate bonds issued	\$ 800,000	800,000	800,000
Unamortized discounted corporate bonds payable	-	(870)	(7,289)
Cumulative converted amount	(800,000)	(754,800)	(546,200)
Less: current portion	-	(44,330)	(246,511)
Corporate bonds issued balance	<u>\$ -</u>	<u>-</u>	<u>-</u>

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On December 12, 2022, Nova Tech issued 8,000 unsecured three-year convertible bonds in Taiwan without interest rate. The bonds have been fully converted in January 2025.

There were no significant issues, repurchases and repayments of bonds payable for the six months ended June 30, 2025 and 2024. For other related information, please refer to Note 6(n) of the consolidated financial statements for the year ended December 31, 2024.

(o) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	<u>\$ 72,257</u>	<u>70,473</u>	<u>59,526</u>
Non-current	<u>\$ 70,509</u>	<u>72,450</u>	<u>68,312</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 950</u>	<u>888</u>	<u>1,889</u>	<u>1,764</u>
Expenses relating to short-term leases	<u>\$ 36,579</u>	<u>28,194</u>	<u>67,785</u>	<u>56,670</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 4,297</u>	<u>3,001</u>	<u>10,270</u>	<u>7,135</u>

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the six months ended June 30	
	2025	2024
Total cash outflow for leases	<u>\$ 119,166</u>	<u>106,724</u>

(i) Real estate leases

The Group leases land and buildings for its office space. The leases typically run for a period of 1 to 6 years.

(ii) Other leases

The Group leases transportation equipment, with contract terms of 2 to 5 years. In certain cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases offices, employee dormitory and office equipment with contract terms of 1 to 3 years are short-term or for low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Provisions (including current and non-current)

	For the six months ended June 30	
	2025	2024
Balance at January 1	\$ 568,039	377,752
Provisions increase during the period	151,626	285,392
Provisions used during the period	(110,736)	(91,137)
Provisions reversed during the period	(76,011)	(87,597)
Effect of exchange rate changes	(31,558)	7,854
Balance at June 30	<u>\$ 501,360</u>	<u>492,264</u>

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The Group's warranty provision is estimated based on historical data of the construction contract. Most liabilities are expected to occur during the warranty period that is mentioned in the contract since completion of the construction.

(q) Income tax

The components of income tax were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Current tax expenses				
Current period	\$ <u>433,170</u>	<u>376,945</u>	<u>689,644</u>	<u>594,188</u>

The amounts of income tax (expense) benefit recognized in other comprehensive income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	\$ <u>193,907</u>	<u>(15,084)</u>	<u>167,222</u>	<u>(55,669)</u>

The income tax returns of the Company have been assessed by the tax authorities through year 2022.

(r) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the six months ended June 30, 2025 and 2024. For the related information, please refer to Note 6(s) to the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The components of the capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
From issuance of ordinary shares	\$ 2,221,085	2,221,085	2,221,085
Difference between the consideration and the carrying amounts of subsidiaries acquired or disposed	6,034	6,034	6,034
Changes in ownership interest in subsidiaries	1,582,576	1,570,471	1,447,314
Other	690	101	82
	<u>\$ 3,810,385</u>	<u>3,797,691</u>	<u>3,674,515</u>

(ii) Retained earnings

According to Company's articles of incorporation, 10% of the annual earnings, after offsetting any accumulated deficit and payment of income taxes due, if any, the legal reserve shall be set aside until the accumulated legal reserve equals the Company's paid-in capital. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside and the remaining balance is partially reserved depending on the business environment, growth status, and long-term finance planning. After deducting the aforementioned partially reserve, the remaining balance, plus, any unappropriated earnings in previous years shall be used for distribution of stockholders' bonuses by the board of directors, depending on the capital status and economic development in the current year. Cash bonuses should not be less than 10% of the total shareholders' bonuses, and they will be recommended by the board of directors to be approved in the shareholders' meeting.

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1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve that exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No.1010012865 issued by the FSC on April 6, 2012, the difference between the total net reduction of other shareholders' equity and the carrying amount of special earnings reserve as stated above shall be reclassified as special earnings reserve during earnings distribution. Other prior accumulated debit balance of shareholders' equity was recognized as additional special reserve from prior undistributed earnings since distributions were prohibited. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2024 and 2023 had been approved during the board meeting. The relevant earnings distributions to shareholders were as follows:

	2024 second half	2024 first half
Date of board resolution	2025.2.27	2024.11.8
Cash dividends to shareholders	<u>\$ 1,240,809</u>	<u>620,404</u>
Cash dividends per share (NTD)	<u>\$ 10</u>	<u>5</u>
	2023 second half	2023 first half
Date of board resolution	2024.2.26	2023.11.8
Cash dividends to shareholders	<u>\$ 744,486</u>	<u>558,364</u>
Cash dividends per share (NTD)	<u>\$ 6.0</u>	<u>4.5</u>

(iii) Other equity interest (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ (314)	987,276	986,962
Foreign currency exchange differences (net of tax)	(441,893)	-	(441,893)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(60,912)	(60,912)
Balance at June 30, 2025	<u>\$ (442,207)</u>	<u>926,364</u>	<u>484,157</u>
Balance at January 1, 2024	\$ (142,188)	311,311	169,123
Foreign currency exchange differences (net of tax)	123,287	-	123,287
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	393,884	393,884
Balance at June 30, 2024	<u>\$ (18,901)</u>	<u>705,195</u>	<u>686,294</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

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(s) Share-based payment

There were no significant changes in share-based payment for the six months ended June 30, 2025. For the related information, please refer to Note 6(t) to the consolidated financial statements for the year ended December 31, 2024.

(t) Earnings per share (“EPS”)

Basic EPS

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company	<u>\$ 816,850</u>	<u>816,895</u>	<u>1,504,703</u>	<u>1,244,703</u>
Weighted average number of ordinary shares	<u>124,081</u>	<u>124,081</u>	<u>124,081</u>	<u>124,081</u>
Basic EPS (in dollars)	<u>\$ 6.95</u>	<u>6.58</u>	<u>12.13</u>	<u>10.03</u>

Diluted EPS

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 816,850</u>	<u>816,895</u>	<u>1,504,703</u>	<u>1,244,703</u>
Weighted average number of ordinary shares (basic)	124,081	124,081	124,081	124,081
Effect of dilutive potential ordinary shares				
Effect of employee share bonus	178	250	457	588
Weighted average number of ordinary shares (diluted)	<u>124,259</u>	<u>124,331</u>	<u>124,538</u>	<u>124,669</u>
Diluted EPS (in dollars)	<u>\$ 6.94</u>	<u>6.57</u>	<u>12.08</u>	<u>9.98</u>

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Primary geographical markets				
Taiwan	\$ 6,777,818	3,264,853	11,416,220	5,790,889
Mainland China	2,496,628	3,219,023	4,861,836	5,733,186
Other countries	1,633,436	1,175,707	3,185,849	1,612,243
	<u>\$ 10,907,882</u>	<u>7,659,583</u>	<u>19,463,905</u>	<u>13,136,318</u>
Major products				
Cleanroom electromechanical integration engineering	\$ 8,082,442	4,306,543	14,075,095	7,207,006
Water gasification supply integration engineering	1,940,240	2,306,952	4,035,845	4,468,702
Consumer industry electromechanical integration engineering	358,308	710,908	657,967	941,070
Biomedical integration engineering	148,653	130,926	223,414	212,178
High-tech equipment and materials sales and services	378,239	204,254	471,584	307,362
	<u>\$ 10,907,882</u>	<u>7,659,583</u>	<u>19,463,905</u>	<u>13,136,318</u>

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(ii) Contract balances

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Contract assets-construction and equipment	\$ 6,893,846	6,628,264	4,779,272
Less: allowance for impairment	<u>(8,966)</u>	<u>(46,572)</u>	<u>(88,278)</u>
	<u>\$ 6,884,880</u>	<u>6,581,692</u>	<u>4,690,994</u>
Contract liabilities-construction and equipment	\$ 5,150,801	3,799,574	3,222,130
Contract liabilities-Advance sales receipts	<u>240,246</u>	<u>243,124</u>	<u>116,564</u>
	<u>\$ 5,391,047</u>	<u>4,042,698</u>	<u>3,338,694</u>

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no major changes for the six months ended June 30, 2025 and 2024.

(v) Remuneration to employees and directors

The Company amended its Articles of Incorporation at the shareholders' meeting on May 22, 2025. According to the Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 3% shall be distributed as employee remuneration (among which remuneration to entry-level employees shall not less than 30%), and a maximum of 5% as remuneration to directors and supervisors. The Company's Articles of Incorporation prior to the amendment require that earnings shall first be offset against any deficit, then, a minimum of 3% shall be distributed as employee remuneration, and a maximum of 5% as remuneration to directors and supervisors.

For the three months and the six months ended June 30, 2025 and 2024, the Company accrued and recognized employee remuneration amounting to \$70,655 thousand, \$65,894 thousand, \$121,165 thousand and \$97,924 thousand and its directors' and supervisors' remuneration amounting to \$35,327 thousand, \$32,947 thousand, \$60,582 thousand and \$48,962 thousand, respectively. These amounts were calculated based on the net profit before income tax, before deducting the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were recognized under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$201,677 thousand and \$141,101 thousand, and its directors' and supervisors' remuneration amounting to \$100,839 thousand and \$70,550 thousand, respectively. There is no different between estimation and paid. The information is available on the Market Observation Post System website.

(w) Non-operating income and expenses

(i) Finance costs

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense-bank loan	\$ 6,045	3,375	12,335	7,064
Interest expense-lease liabilities	950	888	1,889	1,764
Interest expense-bonds	<u>-</u>	<u>1,198</u>	<u>44</u>	<u>2,532</u>
	<u>\$ 6,995</u>	<u>5,461</u>	<u>14,268</u>	<u>11,360</u>

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(ii) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 30,967	42,976	66,709	71,243
Other interest income	13,408	11,529	26,089	21,337
	<u>\$ 44,375</u>	<u>54,505</u>	<u>92,798</u>	<u>92,580</u>

(iii) Other income and expenses

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Rent income	\$ 856	956	2,065	1,875
Dividend income	14,163	13,683	14,987	14,067
Government subsidy income and others	1,918	(5,369)	5,966	11,830
	<u>\$ 16,937</u>	<u>9,270</u>	<u>23,018</u>	<u>27,772</u>

(iv) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Foreign exchange (losses) gains	\$ (102,727)	21,503	(63,084)	67,808
(Losses) gains on disposals of property, plant and equipment	(138)	(65)	(6,738)	2,169
Gains on disposal of investment property	-	5,959	-	8,336
Losses on disposal of intangible assets	(127)	-	(127)	-
Losses on disposal of investment	-	(124)	-	(124)
Profit from lease modification	1,112	417	1,124	420
(Losses) gains on financial assets at fair value through profit or loss	(15,913)	4,051	(12,765)	9,280
	<u>\$ (117,793)</u>	<u>31,741</u>	<u>(81,590)</u>	<u>87,889</u>

(x) Financial instruments

Except for the contention mentioned below, there was no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(y) to the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group assessed the concentrations of credit risk arising from its major customer, at percentages below 47%, 26% and 8%, respectively, of the total accounts receivables. The other top four clients contributed no more than 14%, 16% and 21%, respectively, of the total receivables.

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3) Receivables

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

Other financial assets at amortized cost include other receivables and other financial assets.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(g) to consolidated financial statements for the year ended December 31, 2024. The impairment provision of \$2,238 thousand was recognized on advance payments for construction for the six months ended June 30, 2025.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, excluding notes payable, accounts payable (including related parties), accrued salaries, dividends payable and other accrued expenses:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
June 30, 2025						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 736,804	739,833	739,833	-	-	-
Leases liabilities (including current and non-current)	<u>142,766</u>	<u>147,050</u>	<u>74,789</u>	<u>39,694</u>	<u>32,567</u>	<u>-</u>
	<u>\$ 879,570</u>	<u>886,883</u>	<u>814,622</u>	<u>39,694</u>	<u>32,567</u>	<u>-</u>
December 31, 2024						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 479,667	481,468	481,468	-	-	-
Bonds payable	44,330	45,200	45,200	-	-	-
Leases liabilities (including current and non-current)	<u>142,923</u>	<u>147,533</u>	<u>73,256</u>	<u>45,494</u>	<u>28,783</u>	<u>-</u>
	<u>\$ 666,920</u>	<u>674,201</u>	<u>599,924</u>	<u>45,494</u>	<u>28,783</u>	<u>-</u>
June 30, 2024						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 701,822	705,156	705,156	-	-	-
Bonds payable	246,511	253,800	253,800	-	-	-
Leases liabilities (including current and non-current)	<u>127,838</u>	<u>132,307</u>	<u>62,007</u>	<u>40,999</u>	<u>29,301</u>	<u>-</u>
	<u>\$ 1,076,171</u>	<u>1,091,263</u>	<u>1,020,963</u>	<u>40,999</u>	<u>29,301</u>	<u>-</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk were as follows:

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	\$ 39,694	29.165	1,157,676	35,128	32.720	1,149,388	45,267	32.530	1,472,536
CNY	82,122	4.0686	334,122	48,281	4.4827	216,429	48,746	4.4752	218,148
JPY	224,692	0.2025	45,500	203,908	0.2073	42,270	253,883	0.2026	51,437
SGD	1,372	22.9042	31,425	1,760	24.0863	42,392	1,817	23.9649	43,544

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	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Non-monetary items</u>									
USD	634	29.165	18,491	989	32.720	32,360	989	32.530	32,172
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	1,095	29.165	31,936	3,099	32.720	101,399	1,852	32.530	60,246
CNY	160,069	4.0686	651,257	59,069	4.4827	264,789	51,009	4.4752	228,275
JPY	3,658	0.2025	741	1,994	0.2073	413	75,755	0.2026	15,348

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, financial assets at fair value through other comprehensive income, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, CNY, JPY and SGD as at June 30, 2025 and 2024 would have increased (decreased) the net profit before income tax by \$8,848 thousand and \$14,818 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2025 and 2024, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to \$(63,084) thousand and \$67,808 thousand, respectively.

2) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in this note of liquidity risk management.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumptions that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% basis point when reporting to the internal management, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, the Group's net income would have increased or decreased by \$7,368 thousand and \$7,018 thousand for the six months ended June 30, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

3) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

Prices of securities at the reporting date	For the six months ended June 30			
	2025		2024	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
Increasing 3%	\$ 59,553	18,915	50,243	12,448
Decreasing 3%	\$ (59,553)	(18,915)	(50,243)	(12,448)

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(iv) Fair value of financial instruments

1) The kinds of financial instruments and fair value

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and leases liabilities, disclosure of fair value information is not required:

June 30, 2025					
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 639,396	639,396	-	-	639,396
Financial assets designated as fair value through profit or loss	<u>41,763</u>	<u>41,763</u>	<u>-</u>	<u>-</u>	<u>41,763</u>
Subtotal	<u>681,159</u>	<u>681,159</u>	<u>-</u>	<u>-</u>	<u>681,159</u>
Financial assets at fair value through other comprehensive income					
Corporate bonds	323,561	323,561	-	-	323,561
Foreign government bonds	16,663	16,663	-	-	16,663
Domestic listed stocks	1,933,144	1,933,144	-	-	1,933,144
Domestic emerging stocks	1,283	1,283	-	-	1,283
Domestic unlisted stocks	2,531	-	-	2,531	2,531
Foreign listed stocks	<u>48,155</u>	<u>48,155</u>	<u>-</u>	<u>-</u>	<u>48,155</u>
Subtotal	<u>2,325,337</u>	<u>2,322,806</u>	<u>-</u>	<u>2,531</u>	<u>2,325,337</u>
Financial assets measured at amortized cost					
Domestic financial bonds	<u>69,374</u>	<u>-</u>	<u>69,374</u>	<u>-</u>	<u>69,374</u>
Total	<u>\$ 3,075,870</u>	<u>3,003,965</u>	<u>69,374</u>	<u>2,531</u>	<u>3,075,870</u>
December 31, 2024					
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 664,261	440,127	224,134	-	664,261
Financial assets designated as fair value through profit or loss	<u>41,541</u>	<u>41,541</u>	<u>-</u>	<u>-</u>	<u>41,541</u>
Subtotal	<u>705,802</u>	<u>481,668</u>	<u>224,134</u>	<u>-</u>	<u>705,802</u>
Financial assets at fair value through other comprehensive income					
Corporate bonds	368,818	368,818	-	-	368,818
Domestic listed stocks	1,905,587	1,905,587	-	-	1,905,587
Domestic emerging stocks	2,830	2,830	-	-	2,830
Domestic unlisted stocks	2,716	-	-	2,716	2,716
Foreign listed stocks	<u>58,041</u>	<u>58,041</u>	<u>-</u>	<u>-</u>	<u>58,041</u>
Subtotal	<u>2,337,992</u>	<u>2,335,276</u>	<u>-</u>	<u>2,716</u>	<u>2,337,992</u>

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December 31, 2024					
	Book value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Domestic financial bonds	39,163	-	39,163	-	39,163
Total	<u>\$ 3,082,957</u>	<u>2,816,944</u>	<u>263,297</u>	<u>2,716</u>	<u>3,082,957</u>
Financial liabilities measured at amortized cost					
Bonds payable	<u>\$ 44,330</u>	<u>-</u>	<u>103,757</u>	<u>-</u>	<u>103,757</u>
June 30, 2024					
	Book value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 433,226	433,226	-	-	433,226
Financial assets designated as fair value through profit or loss	35,943	35,917	26	-	35,943
Subtotal	<u>469,169</u>	<u>469,143</u>	<u>26</u>	<u>-</u>	<u>469,169</u>
Financial assets at fair value through other comprehensive income					
Corporate bonds	286,942	286,942	-	-	286,942
Domestic listed stocks	1,618,455	1,618,455	-	-	1,618,455
Domestic emerging stocks	4,875	4,875	-	-	4,875
Domestic unlisted stocks	2,716	-	-	2,716	2,716
Foreign listed stocks	<u>48,732</u>	<u>48,732</u>	<u>-</u>	<u>-</u>	<u>48,732</u>
Subtotal	<u>1,961,720</u>	<u>1,959,004</u>	<u>-</u>	<u>2,716</u>	<u>1,961,720</u>
Total	<u>\$ 2,430,889</u>	<u>2,428,147</u>	<u>26</u>	<u>2,716</u>	<u>2,430,889</u>
Financial liabilities measured at amortized cost					
Bonds payable	<u>\$ 246,511</u>	<u>-</u>	<u>609,120</u>	<u>-</u>	<u>609,120</u>

2) Valuation techniques for financial instruments not measured at fair value

Financial assets and financial liabilities measured at amortized cost. If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

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

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or regulators and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid ask spreads is an indication of non-active market.

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The Group's financial instruments are classified by their category, and the attributes of their fair value are as follows if such financial instruments are traded in active markets: beneficiary securities — open end fund, corporate bonds and emerging stock, whose fair value was determined based on market quoted prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

When the financial instrument of the Group is not traded in an active market, its fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

4) Transfers between Level 1 and Level 2

There were no transfers from one level to another for the six months ended June 30, 2025.

The Company holds shares of Holy Stone Healthcare Co., Ltd. (Holy Stone), which are classified as financial assets at fair value through other comprehensive income under Level 1. Holy Stone passed a resolution at the shareholders' meeting to split and reduce its capital and exchange it for shares of a new company – Holy Young BioMedical Co., Ltd. (Holy Young), effective February 2, 2024. As a result of this capital split and reduction, the Company obtained 994 thousand shares of Holy Young, which are classified as financial assets at fair value through other comprehensive income under Level 3.

5) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
Opening balance, January 1, 2025	\$ 2,716
In other comprehensive income	(185)
Ending Balance, June 30, 2025	<u>\$ 2,531</u>
Opening balance, January 1, 2024	\$ 2,246
Obtained by splitting and reducing capital	994
In other comprehensive income	(524)
Ending Balance, June 30, 2024	<u>\$ 2,716</u>

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

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Most of the Group's financial assets in Level 3 have only one significant unobservable input, while its equity investments without an active market have more than one significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

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Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity investments without an active market	Net asset value method	♦ Discount for lack of marketability (As of 2025.06.30, 2024.12.31 and 2024.06.30 were both 30%)	♦ The higher the discount for lack of marketability, the lower the fair value.

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

The method be applied by the Group to measure the financial instruments are reasonable. There will be different result if applied other measurement models or assumptions. For fair value measurements in Level 3, changing one or more of the assumptions by 10% to reflect reasonably possible alternative assumptions would have the following effects:

		Increase or decrease	Effects of changes in fair value on other comprehensive income	
			Favorable	Unfavorable
June 30, 2025				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	10%	362	(362)
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	10%	388	(388)
June 30, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	10%	388	(388)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

(y) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosure in Note 6(z) of the consolidated financial statements for the year ended December 31, 2024.

(z) Capital management

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

(aa) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the six months ended June 30, 2025 and 2024, were as follows:

For the right-of-use assets obtained by leasing, please refer to Note 6(j).

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Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Non-cash changes				June 30, 2025
			Foreign exchange movement	Increased	Transfer to share capital and capital surplus	Amortization	
Short-term borrowings	\$ 479,667	316,386	(59,249)	-	-	-	736,804
Lease liabilities	142,923	(39,222)	(7,992)	47,057	-	-	142,766
Bonds payable	44,330	-	-	-	(44,374)	44	-
Total liabilities from financing activities	<u>\$ 666,920</u>	<u>277,164</u>	<u>(67,241)</u>	<u>47,057</u>	<u>(44,374)</u>	<u>44</u>	<u>879,570</u>

	January 1, 2024	Cash flows	Non-cash changes				June 30, 2024
			Foreign exchange movement	Increased	Transfer to share capital and capital surplus	Amortization	
Short-term borrowings	\$ 540,595	142,535	18,692	-	-	-	701,822
Lease liabilities	143,217	(41,155)	2,379	23,397	-	-	127,838
Bonds payable	315,115	-	-	-	(71,136)	2,532	246,511
Total liabilities from financing activities	<u>\$ 998,927</u>	<u>101,380</u>	<u>21,071</u>	<u>23,397</u>	<u>(71,136)</u>	<u>2,532</u>	<u>1,076,171</u>

(7) Related-party transactions

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Johnwell Airconditioning Enterprise Co., Ltd.	The key management personnel of the parent company's directors
Xiang-Hui Development Co., Ltd.	The key management personnel of the parent company's directors

(b) Significant transactions with related parties

1. Construction cost, and related assets and liabilities:

The amounts of significant purchase transactions and outstanding payables for goods and equipment between the Group and related parties were as follows:

	Purchases	
	For the three months ended June 30, 2024	For the six months ended June 30, 2024
Entity under the key management's control	<u>\$ 432</u>	<u>692</u>

There were no differences in the purchase price and terms of payments offered to related parties and those of third-party vendors.

(c) Key management personnel compensation

Remuneration of key management personnel includes:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 58,142	48,520	133,550	111,190
Post-employment benefits	135	135	270	270
	<u>\$ 58,277</u>	<u>48,655</u>	<u>133,820</u>	<u>111,460</u>

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(8) Pledged assets

The Group's pledged assets were as follows:

<u>Asset</u>	<u>Purpose of pledge</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other financial assets — current:				
Demand deposit / time deposit	Construction contract fulfillment and warranty guarantee	\$ 36,411	92,619	312,388
Demand deposit	Work safety reserve fund	3,632	3,621	-
Other non-current assets:				
Time deposit	Warranty guarantee	-	9,055	38,748
		<u>\$ 40,043</u>	<u>105,295</u>	<u>351,136</u>

(9) Commitments and contingencies

Significant commitments and contingencies for the Group as of June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

- (a) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to \$2,637,358 thousand, \$2,192,740 thousand and \$2,104,877 thousand, respectively.
- (b) The amounts pledged to the bank for engaging in construction contracts amounted to \$4,670,400 thousand, \$4,864,676 thousand and \$4,953,848 thousand, respectively.
- (c) Contract fulfillment guarantee and warranty guarantee (excluding related parties) for the competitive corporations amounted to \$2,004,700 thousand for each of the above date.
- (d) The Company's subsidiary, Nova Tech, entered into an agreement with Jing He Science Co., Ltd. (Jing He) for the construction and expansion of a new factory and gas factory, respectively, wherein Nova Tech is responsible for the installation process of the pipelines, as well as for purchasing the related equipment according to the design layout and purchase order provided by Jing He. However, Jing He made certain changes to its layout plan, which in turn, requires extra work; and for this reason, Nova Tech requested Jing He for an additional payment, in which Jing He argued that the contract is a lump-sum contract; therefore, refused to make any additional payment. Furthermore, it unilaterally terminated the agreement prior to the completion of the construction. Nova Tech then filed a lawsuit to the District Court against Jing He, demanding the amount of the contract to be paid in full. Nova Tech has also engaged a lawyer to defend its case. On the other hand, the District Court appointed Taiwan Association of Construction and Development, as well as Taiwan Professional Electrical Engineers Association, to estimate the value of the completed part of the new factory building, with both parties providing supplementary opinions for the preliminary valuation. The District Court has also appointed Taiwan Construction Research Institute (TCRI) to estimate the value of the expansion of the gas factory, wherein the estimated result turned out to be the same as that of which conducted by Nova Tech. On December 29, 2023, the Taiwan Taoyuan District Court issued a ruling ordering Jing He to pay Nova Tech an amount of \$22,876 thousand. As a result, Nova Tech has recognized a provision of \$12,000 thousand in its 2023 financial statements to reflect the loss arising from this legal matter. Nova Tech disagrees with the judgment and has filed an appeal in February 2024. Additionally, regarding the claims litigation, Nova Tech is unable to assess the subsequent developments, potential outcomes, or impacts at this stage, and therefore, it does not have a material effect on the financial position or operations of the consolidated entities at this time.

(10) Losses due to major disasters: None

(11) Subsequent events: None

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(12) Other:

The employee benefits, depreciation and amortization expenses categorized by function were as follows:

		For the three months ended June 30					
		2025			2024		
By item	By function	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit							
Salary		\$ 440,266	280,090	720,356	396,406	261,912	658,318
Labor, health and social insurance		46,291	25,400	71,691	40,368	25,685	66,053
Pension		9,269	2,672	11,941	8,489	2,922	11,411
Others		15,231	20,545	35,776	13,695	9,479	23,174
Depreciation		11,172	25,630	36,802	12,079	22,206	34,285
Amortization		260	7,463	7,723	72	11,752	11,824

		For the six months ended June 30					
		2025			2024		
By item	By function	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit							
Salary		\$ 805,058	583,616	1,388,674	708,290	537,717	1,246,007
Labor, health and social insurance		92,105	60,313	152,418	81,335	58,212	139,547
Pension		18,328	5,412	23,740	16,748	6,346	23,094
Others		29,232	32,763	61,995	24,851	20,836	45,687
Depreciation		22,559	52,296	74,855	23,606	44,844	68,450
Amortization		489	22,150	22,639	146	22,925	23,071

Note: Depreciation for investment property for the six months ended June 30, 2025 and 2024 were \$2,807 thousand and \$3,116 thousand, respectively and were recorded in non-operating expenses.

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(13) Other disclosures

(a) Information on significant transactions:

The follows were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” of the Group for the six months ended June 30, 2025:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Maximum balance for the period	Ending balance (Note 1)	Amount actually drawn	Interest rate%	Nature for financing	Transaction amounts	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
0	The Company	Enrich Tech	Other receivables due from related parties	Y	100,000	-	-	-	Short-term financing	-	Operating capital	-	None	-	1,074,395	1,074,395
1	SHI	Acter Malaysia	Other receivables due from related parties	Y	46,344	-	-	-	Short-term financing	-	Operating capital	-	None	-	3,477,530	3,477,530
1	SHI	AIL	Other receivables due from related parties	Y	99,309	87,495	87,495	5.10	Short-term financing	-	Operating capital	-	None	-	3,477,530	3,477,530
1	SHI	Acter India	Other receivables due from related parties	Y	81,163	72,913	72,913	6.16	Short-term financing	-	Operating capital	-	None	-	3,477,530	3,477,530
1	SHI	Acter Thailand	Other receivables due from related parties	Y	227,853	-	-	-	Short-term financing	-	Operating capital	-	None	-	1,545,569	1,545,569
2	Acter Integration	Acter Thailand	Other receivables due from related parties	Y	132,270	-	-	-	Short-term financing	-	Operating capital	-	None	-	1,747,278	1,747,278
2	Acter Integration	Acter Malaysia	Other receivables due from related parties	Y	64,992	-	-	-	Short-term financing	-	Operating capital	-	None	-	1,747,278	1,747,278
3	Shenzhen Sheng Huei	Shenzhen Dingmao	Other receivables due from related parties	Y	44,476	40,686	40,686	2.50	Short-term financing	-	Operating capital	-	None	-	2,104,530	2,104,530
4	Winmax	Suzhou Winmax	Other receivables due from related parties	Y	364,496	325,488	-	-	Short-term financing	-	Operating capital	-	None	-	804,443	804,443
5	Acter Integration Indonesia	Acter Indonesia	Other receivables due from related parties	Y	8,062	-	-	-	Short-term financing	-	Operating capital	-	None	-	44,170	44,170

Note 1. The ending balance was the used credit line approved by the Board of Directors for the six months ended June 30, 2025.

Note 2. Calculation methods of the company and its subsidiaries for the limited amount and the total amount available for lending purpose for single party:

1. The Company:

- (1) The total amount available for lending purpose shall not exceed 10% of the Company's net worth.
- (2) The amount for short-term financing needs for single party, shall not exceed 10% of the Company's net worth.

2. SHI:

- (1) The total amount available for lending purpose shall not exceed 90% of SHI's net worth.
- (2) The total amount available for short-term financing needs, shall not exceed 40% of SHI's net worth; and the amount available for single party for short-term financing needs shall not exceed 40% of SHI's net worth.
- (3) The leading amount to directly or indirectly wholly owned subsidiaries outside Taiwan for finance needs, or directly or indirectly wholly owned subsidiaries outside Taiwan to the Group for finance needs, are not limited by the 40% of net worth. The total amount still remain limited, shall not exceed 90% of SHI's net worth.

3. Acter Integration and its subsidiaries (Shenzhen Sheng Huei and Acter Integration Indonesia):

- (1) The total amount available for lending purpose shall not exceed 40% of Acter Integration and its subsidiaries' net worth.
- (2) The total amount available for short-term financing needs, shall not exceed 40% of net worth of the company which lent funds; and the amount available for single party for short-term financing needs shall not exceed 40% of net worth of the company which lent funds.
- (3) The maximum amount to directly or indirectly wholly owned subsidiaries outside Taiwan (must be within the scope of the consolidated financial statements of Acter Integration) for short-term financing needs, the total amount and maximum amount for lending shall not exceed 1000% of the net worth of each subsidiary.

4. Winmax:

- (1) The total amount available for lending purpose shall not exceed 40% of Winmax's net worth.
- (2) The maximum amount to directly or indirectly wholly owned subsidiaries outside Taiwan for short-term financing needs, the total amount and maximum amount for lending shall not exceed 40% of Winmax's net worth.

Note 3. The net worth was audited or reviewed by a Certified Public Accountant.

Note 4. The transaction had been eliminated upon consolidation.

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(ii) Guarantees and endorsements for other parties

(In Thousands of New Taiwan Dollars)

No.	Endorsement/ guarantee provider	Guaranteed party		Limits on endorsement/ guarantee amount for each guaranteed party (Note 1)	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements (%)	Maximum endorsement/ guarantee amount allowable (Note 1)	Guarantee provided by parent company	Guarantee provided by subsidiary	Guarantee provided to subsidiaries in mainland China
		Name	Nature of relationship (Note 3)										
0	The Company	Her Suo	2	53,719,755	987,000	987,000	987,000	-	9.19	85,951,608	Y	N	N
0	The Company	Enrich Tech	2	53,719,755	1,025,756	1,025,756	625,756	-	9.55	85,951,608	Y	N	N
0	The Company	SHI	2	53,719,755	1,662,392	1,618,658	435,335	-	15.07	85,951,608	Y	N	N
0	The Company	Acter India	2	53,719,755	395,864	384,665	-	-	3.58	85,951,608	Y	N	N
0	The Company	Yida Construction	5	32,231,853	414,000	414,000	414,000	-	3.85	53,719,755	N	N	N
0	The Company	Kedge Construction	5	32,231,853	1,590,700	1,590,700	1,590,700	-	14.81	53,719,755	N	N	N
1	Her Suo	The Company	3	12,869,880	5,924,389	5,924,389	5,924,389	-	1,380.99	15,014,860	N	Y	N
2	Nova Tech	Winmax and Suzhou Winmax	2	8,997,334	1,091,899	400,647	116,289	-	8.91	13,496,001	N	N	Y
2	Nova Tech	Winmax	2	8,997,334	45,668	29,224	29,224	-	0.65	13,496,001	N	N	Y
3	Acter Integration	Shenzhen Sheng Hui	2	26,209,176	136,686	81,372	-	-	1.86	34,945,568	N	N	Y
3	Acter Integration	Acter Vietnam	2	26,209,176	2,496,868	2,228,219	2,228,219	-	51.01	34,945,568	N	N	N
3	Acter Integration	Shenzhen Dingmao	2	26,209,176	296,153	264,459	-	-	6.05	34,945,568	N	N	Y
3	Acter Integration	Acter Malaysia	2	26,209,176	227,810	203,430	20,343	-	4.66	34,945,568	N	N	N
4	Winmax	Suzhou Winmax	3	6,033,324	1,741	-	-	-	-	10,055,540	N	N	Y
5	Enrich Tech	The Company	3	5,122,560	1,764,609	1,751,117	1,751,117	-	1,025.53	5,976,320	N	Y	N
6	Rayzher	Japan Rayzher	2	1,997,986	165,600	151,500	6,075	-	7.58	3,995,972	N	N	N
6	Rayzher	Singapore Rayzher	2	1,997,986	129,860	116,660	-	-	5.84	3,995,972	N	N	N

Note 1. Calculation method of the company and its subsidiaries for the endorsement guarantee limit and the maximum endorsement guarantee limit for a single enterprise.

1. The Company:

- (1) The total amount of endorsements and guarantees provided by the Company to its subsidiaries, who need to fulfill their contractual obligation by providing mutual endorsements and guarantees for peer in order to undertake a construction project, shall not exceed 500% of the Company's net worth. Also, the maximum amount for single subsidiary shall not exceed 300% of the Company's net worth.
- (2) The total amount of endorsements and guarantees provided by the Company to subsidiaries who the Company, directly and indirectly, holds more than 50% of their voting shares, shall not exceed 800% of the Company's net worth. Also, the maximum amount for single subsidiary shall not exceed 500% of the Company's net worth.
- (3) The total amount of endorsements and guarantees provided by the Company to its subsidiaries, who need to fulfill their contractual obligation by providing mutual endorsements and guarantees for peer in order to undertake a construction project, or inter the parent company and subsidiaries, or to a subsidiary who the parent company owns, directly and indirectly, 100% of its voting shares, shall not exceed 800% of the Company's net worth. Also, the maximum amount for single party shall not exceed 500% of the Company's net worth.

2. Her Suo:

- (1) The total amount of endorsements and guarantees provided by Her Suo shall not exceed 3500% of Her Suo's net worth. Also, the maximum amount for single party shall not exceed 3000% of Her Suo's net worth.
- (2) Acter directly or indirectly holds more than 90% of the voting shares, the total amount of endorsements and guarantees shall not exceed 10% of Acter's net worth. However, this restriction does not apply to the company that Acter directly and indirectly holds 100% of the voting shares.

3. Nova Tech:

- (1) Except for contracting projects that require mutual endorsement guarantee between the peer in accordance with the provisions of the contract, the total amount of endorsements and guarantees provided by Nova Tech to other entries shall not exceed 300% of Nova Tech's net worth. Also, the maximum amount for single party shall not exceed 200% of Nova Tech's net worth.
- (2) Nova Tech and its subsidiaries requires mutual endorsement guarantee between the peer in accordance with the contract provisions for the contracted project, the total amount of endorsements and guarantees provided by Nova Tech to other entries shall not exceed 500% of Nova Tech's net worth. Also, the maximum amount for single party shall not exceed 300% of Nova Tech's net worth.

4. Acter Integration and its subsidiaries:

- (1) The total amount of endorsements and guarantees provided by Acter Integration to other entities shall not exceed 800% of Acter Integration's net worth. Also, the maximum amount for single party shall not exceed 600% of Acter Integration's net worth.
- (2) The total amount of endorsements and guarantees provided by the subsidiaries of Acter Integration to other parties shall not exceed 1800% of the subsidiaries of Acter Integration's net worth. Also, the maximum amount for single party shall not exceed 1500% of each subsidiaries of Acter Integration's net worth.
- (3) The total amount of external guarantees provided by Acter Integration and its subsidiaries shall not exceed 1000% of Acter Integration's net worth. Also, the maximum amount for single party shall not exceed 800% of Acter Integration's net worth.

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5. Winmax:

- (1) The total amount of endorsements and guarantees provided by Winmax to other entities shall not exceed 500% of Winmax's net worth and the maximum amount for single party amount shall not exceed 300% of Winmax's net worth.
- (2) Acter or Nova Tech directly or indirectly holds more than 90% of the voting shares, the total amount of endorsements and guarantees shall not exceed 10% of Acter's or Nova Tech's net worth. However, this restriction does not apply to the company that Acter or Nova Tech directly and indirectly holds 100% of the voting shares.

6. Enrich Tech:

- (1) The total amount of endorsements and guarantees provided by Enrich Tech to other entities shall not exceed 3500% of Enrich Tech's net worth. Also, the maximum amount shall not exceed 3000% of Enrich Tech's net worth.

7. Rayzher:

- (1) Except for contracting projects that require mutual endorsement guarantee between the peer in accordance with the provisions of the contract, the total amount of endorsements and guarantees provided by Rayzher to other entries shall not exceed 30% of Rayzher's net worth. Also, the maximum amount for single party shall not exceed 20% of the Rayzher's net worth.
- (2) Rayzher and its subsidiaries requires mutual endorsement guarantee between the peer in accordance with the contract provisions for the contracted project, the total amount of endorsements and guarantees provided by Rayzher to other entries shall not exceed 40% of Rayzher's net worth. Also, the maximum amount for single party shall not exceed 30% of Rayzher's net worth.

Note 2. The net worth was audited by a Certified Public Accountant.

Note 3. Relationship with the endorser and the guarantor is as follows:

1. Ordinary business relationship.
2. Subsidiary which owned more than 50% by the guarantor.
3. An investee owned more than 50% in total by both the guarantor and its subsidiary.
4. An investee owned more than 90% by the guarantor or its subsidiary.
5. Fulfillment of contractual obligation by providing mutual endorsements and/or guarantees for peer or joint builders in order to undertake a construction project.

(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included):

(In Thousands of New Taiwan Dollars/Shares)

Name of holder	Category and name of security	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Phoenix Silicon Inc. stock	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	6,460	881,852	3.74%	881,852	
The Company	AMPOC Far-East Co., Ltd. stock	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	2,598	250,967	2.27%	250,967	
Nova Tech	AMPOC Far-East Co., Ltd. stock	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	4,309	416,249	3.77%	416,249	

- (iv) Information regarding related-party purchases and/or sales exceeding NTD\$100 million or 20% of the Company's paid-in capital: None.
- (v) Information regarding receivables from related parties exceeding NTD\$100 million or 20% of the Company's paid-in capital: None.
- (vi) Business relationships and significant intercompany transaction: None.

(b) Information on investees:

The followings are the information on investees for the six months ended June 30, 2025:

(In Thousands of New Taiwan Dollars / Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Investment income (loss) recognized	Note
				June 30, 2025	December 31, 2024	Shares (in thousands)	Percentage of ownership (%)	Carrying value			
The Company	Nova Tech	Hsinchu	Wholesale assemble, maintenance and design of electronic and chemical equipment	213,455	213,455	43,196	55.52%	2,497,718	386,826	215,109	Note 2
The Company	Her Suo	Hsinchu	Construction and set up of freezing equipment	60,000	60,000	10,000	100%	332,104	60,064	60,064	Note 2
The Company	Enrich Tech	Taichung	Comprehensive construction company	68,841	68,841	8,142	56.94%	89,579	(431)	(246)	Note 2
The Company	SHI	Samoa	Investment holding company	121,302	121,302	3,950	100%	3,863,922	184,186	184,186	Note 2
The Company	Acter India	India	Construction and set up of electronic equipment and air conditioners	32,016	32,016	8,316	99%	25,236	(3,622)	(3,622)	Note 2
Enrich Tech	Acter India	India	Construction and set up of electronic equipment and air conditioners	324	324	84	1%	-	(3,622)	-	Note 2
Nova Tech	Winmega	Hsinchu	Wholesale of electronic and chemical engineering equipment	15,000	15,000	3,000	100%	151,817	25,888	25,888	Note 2
Nova Tech	Rayzher	Taoyuan	Piping engineering and equipment sales of gas supply system, etc.	518,896	518,896	14,408	41.47%	828,521	166,745	66,790	Note 2
Nova Tech	Dadewin	Hsinchu	Engineering graphic design, etc.	4,000	4,000	400	80%	(178)	(1,914)	(1,531)	Note 2
Nova Tech	Theory High Tech	Hsinchu	Contracting of waste chemical recycling system business	10,600	-	1,060	53%	9,158	(2,720)	(1,442)	Note 2
Suzhou Winmax	NTEC	Singapore	Chemical supply system business	24,179	24,179	1,000	100%	223,347	49,226	49,226	Note 2

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Investment income (loss) recognized	Note
				June 30, 2025	December 31, 2024	Shares (in thousands)	Percentage of ownership (%)	Carrying value			
NTEC	Malaysia Winmax	Malaysia	Chemical supply system business	7,359	7,359	1,000	100%	6,824	(62)	(62)	Note 2
Rayzher	Japan Rayzher	Japan	Piping engineering and equipment sales of gas supply system, etc.	33,243	15,673	16	80%	20,975	(9,002)	(9,002)	Note 2
Rayzher	Singapore Rayzher	Singapore	Piping engineering and equipment sales of gas supply system, etc.	24,180	24,180	1,000	100%	21,525	(1,449)	(1,449)	Note 2
Rayzher	Usa Rayzher	USA	Piping engineering and equipment sales of gas supply system, etc.	-	-	-	100%	-	-	-	Note 2 and Note3
SHI	New Point	Seychelles	Trading of equipment	6,110	6,110	200	100%	22,492	1,583	1,583	Note 2
Acter Integration	AIL	Hong Kong	Investment holding company and trading of clean rooms and air conditioners	99,994	99,994	25,327	100%	458,157	92,128	92,128	Note 2
Acter Integration	Acter Singapore	Singapore	Investment holding company	80,000	80,000	3,376	100%	282,680	75,599	75,599	Note 2
Acter Integration	Acter Integration Indonesia	Indonesia	Industrial building construction, electrical installation, water supply and drainage installation, air conditioning installation, mechanical installation, and related activities	68,206	68,206	34	67%	71,204	8,260	5,534	Note 2
Acter Integration	Acter Vietnam	Vietnam	Set up of electronic protection systems and central air conditioners	65,204	65,024	Note 1	36.36%	253,105	94,056	34,202	Note 2
Acter Integration	Acter Malaysia	Malaysia	Construction and set up of electronic equipment and air conditioners	64,142	64,142	8,719	77.03%	61,925	5,126	3,949	Note 2
Acter Singapore	Acter Malaysia	Malaysia	Construction and set up of electronic equipment and air conditioners	26,780	26,780	2,600	22.97%	18,466	5,126	1,177	Note 2
Acter Singapore	Acter Indonesia	Indonesia	Equipment trading and set up	14,816	14,816	990	99%	81,378	(43)	(43)	Note 2
Acter Singapore	Acter Thailand	Thailand	Set up of electronic protection systems and central air conditioners	14,428	14,428	147	49%	153,820	131,592	64,480	Note 2
Acter Singapore	DJR	Thailand	Investment holding company	908	908	13	25%	9,649	16,377	4,096	Note 2
Acter Singapore	Daejin Road	Thailand	Investment holding company	1,371	1,371	13	25%	14,573	24,729	6,186	Note 2
AIL	Acter Indonesia	Indonesia	Equipment trading and set up	150	150	10	1%	822	(43)	-	Note 2
AIL	Acter Vietnam	Vietnam	Set up of electronic protection systems and central air conditioners	109,246	109,246	Note 1	63.64%	442,935	94,056	59,854	Note 2
AIL	Space	Thailand	Investment holding company and trading of equipment	7,308	7,308	74	49%	74,862	64,335	31,541	Note 2
AIL	DJR	Thailand	Investment holding company	871	871	12	24%	9,272	16,377	3,933	Note 2
AIL	Daejin Road	Thailand	Investment holding company	1,317	1,317	12	24%	14,003	24,729	5,938	Note 2

Note 1: Limited company.

Note 2: The transactions have been eliminated upon consolidation.

Note 3: Rayzher established the subsidiary Rayzher Technology Usa Inc. in May 2025; however, no capital has been injected as of June 30, 2025.

(c) Information on investment in Mainland China:

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

(In Thousands of New Taiwan Dollars / Shares)

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 11)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) recognized (Note 9)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Winmax	Design and manufacture of air containers and liquid containers	151,426 (Note 1)	3	9,635	-	-	9,635	365,204	48.08%	175,582	966,898	1,482,545
Acter Integration	Construction and set up of electronic equipment and air conditioners	341,919 (Note 2)	2	106,177	-	-	106,177	256,975	65.00%	166,993	2,839,207	740,060 (Note 5)
Shenzhen Dingmao	Electronic equipment and machinery trading	22,984	3	-	-	-	-	34,067	65.00%	22,143	178,707	-
Shenzhen Sheng Huei	Construction and set up of electronic equipment and air conditioners	172,877 (Note 3)	3	15,980	-	-	15,980	(3,975)	65.00%	(2,583)	121,759	55,876 (Note 5)
Suzhou Winmax	Design and manufacture of air containers and liquid containers	752,539 (Note 4)	1	32,478	-	-	32,478	340,357	48.08%	163,637	1,521,423	140,422

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(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025 (Note 8)	Investment Amounts Authorized by investment Commission, MOEA (Note 6 and 8)	Upper Limit on Investment (Note 7)
170,379 (USD5,450 thousand)	1,994,678 (USD64,344 thousand)	6,446,371

Note 1: The total amount of capital included the capital increase incurred from retained earnings of USD4,590 thousand in 2007 and 2012.

Note 2: The total amount of capital included the capital increase incurred from retained earnings of USD4,537 thousand in 2006, 2007, 2010, 2011, 2019 and the capital increase incurred from capital surplus of USD1,891 thousand in 2023.

Note 3: The total amount of capital included the capital increase incurred from retained earnings of USD4,830 thousand in 2009, 2010 and 2011.

Note 4: The total amount of capital included the capital increase incurred from retained earnings of USD2,000 thousand and share-based of USD17,200 thousand in 2023.

Note 5: It included retained earnings to the Company amount \$457,505 thousand (USD15,166 thousand), and CNY74,620 thousand was paid to SHI.

Note 6: The accumulated investment in Mainland China included through Nova Tech amounting to \$1,456,185 thousand (USD47,342 thousand) was authorized by the Investment Commission. However, the remittance from Winmax to Nova Tech amounting to \$1,482,545 thousand (USD48,735 thousand) and the remittance from Suzhou Winmax to Nova Tech amounting to \$140,422 thousand (USD4,417 thousand) and the remittance from Fuyu International to the Company amounting to \$164,079 thousand (USD5,879 thousand) and the remittance from Acter Integration to the Company amounting to \$457,505 thousand (USD15,166 thousand) were not included in the accumulated investment amounts.

Note 7: According to the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” issued by the Investment Commission on August 29, 2008, the maximum amount on investment in Mainland China shall not exceed 60% of the Company’s net worth.

Note 8: All foreign currency amounts were translated at the original exchange rates.

Note 9: The amount of Acter Integration, Winmax, and Suzhou Winmax was recognized based on the reviewed financial statements.

Note 10: Fuyu had been liquidated in December 2020. However, the accumulated investment in Mainland China amounting to \$6,110 thousand (USD200 thousand) has yet to be remitted to the Company.

Note 11: Ways to invest in Mainland China:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland China through a foreign company.
- (3) Investment in Mainland China through an existing company in Mainland China.

(iii) Significant transaction:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

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(14) Segment information

The Group's operating segment information and reconciliation are as follows:

For the three months ended June 30, 2025	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 6,842,067	2,472,375	1,593,440	-	10,907,882
Intersegment revenues	4,942	84,936	-	(89,878)	-
Total revenue	<u>\$ 6,847,009</u>	<u>2,557,311</u>	<u>1,593,440</u>	<u>(89,878)</u>	<u>10,907,882</u>
Reportable segment profit or loss	<u>\$ 760,582</u>	<u>169,886</u>	<u>166,889</u>	<u>497</u>	<u>1,097,854</u>
For the three months ended June 30, 2024	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 3,548,679	3,223,622	887,282	-	7,659,583
Intersegment revenues	20,957	77,522	-	(98,479)	-
Total revenue	<u>\$ 3,569,636</u>	<u>3,301,144</u>	<u>887,282</u>	<u>(98,479)</u>	<u>7,659,583</u>
Reportable segment profit or loss	<u>\$ 706,906</u>	<u>86,166</u>	<u>179,675</u>	<u>(5,740)</u>	<u>967,007</u>
For the six months ended June 30, 2025	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 11,514,526	4,812,780	3,136,599	-	19,463,905
Intersegment revenues	8,410	169,856	-	(178,266)	-
Total revenue	<u>\$ 11,522,936</u>	<u>4,982,636</u>	<u>3,136,599</u>	<u>(178,266)</u>	<u>19,463,905</u>
Reportable segment profit or loss	<u>\$ 1,360,962</u>	<u>336,488</u>	<u>281,957</u>	<u>(5,094)</u>	<u>1,974,313</u>
For the six months ended June 30, 2024	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 6,116,896	5,734,119	1,285,303	-	13,136,318
Intersegment revenues	86,404	216,412	-	(302,816)	-
Total revenue	<u>\$ 6,203,300</u>	<u>5,950,531</u>	<u>1,285,303</u>	<u>(302,816)</u>	<u>13,136,318</u>
Reportable segment profit or loss	<u>\$ 1,078,921</u>	<u>295,425</u>	<u>190,140</u>	<u>(10,121)</u>	<u>1,554,365</u>
Reportable segment assets	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
June 30, 2025	<u>\$ 32,916,600</u>	<u>15,220,713</u>	<u>8,225,313</u>	<u>(19,184,075)</u>	<u>37,178,551</u>
December 31, 2024	<u>\$ 28,894,363</u>	<u>16,680,126</u>	<u>7,965,901</u>	<u>(19,462,711)</u>	<u>34,077,679</u>
June 30, 2024	<u>\$ 23,187,725</u>	<u>16,378,401</u>	<u>6,800,955</u>	<u>(16,780,007)</u>	<u>29,587,074</u>
Reportable segment liabilities					
June 30, 2025	<u>\$ 15,017,697</u>	<u>5,214,643</u>	<u>2,050,380</u>	<u>(1,242,738)</u>	<u>21,039,982</u>
December 31, 2024	<u>\$ 10,189,244</u>	<u>5,943,586</u>	<u>1,740,349</u>	<u>(521,810)</u>	<u>17,351,369</u>
June 30, 2024	<u>\$ 8,674,205</u>	<u>7,142,553</u>	<u>1,269,124</u>	<u>(1,865,950)</u>	<u>15,219,932</u>