

**ACTER GROUP CORPORATION LIMITED AND
SUBSIDIARIES**

Consolidated Financial Statements

With Independent Auditors' Review Report

For the Three Months Ended March 31, 2026 and 2025

Address:19F-1, No.201, Sec.2, Wenxin Road., Xitun District., Taichung City, Taiwan (R.O.C)
Telephone:(04) 22615288

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of material accounting policies	10~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	13
(6) Explanation of significant accounts	13~34
(7) Related-party transactions	34
(8) Pledged assets	34
(9) Commitments and contingencies	35~36
(10) Losses due to major disasters	36
(11) Subsequent events	36
(12) Other	36
(13) Other disclosures	
(a) Information on significant transactions	37~40
(b) Information on investees	40~42
(c) Information on investment in mainland China	42~43
(14) Segment information	44

Independent Auditors' Review Report

To the Board of Directors of 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 March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, 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 \$6,670,835 thousand and \$6,093,373 thousand, constituting 15% and 17% of consolidated total assets; and the total liabilities amounting to \$2,916,940 thousand and \$3,014,279 thousand, constituting 12% and 16% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and total comprehensive income amounting to \$242,989 thousand and \$119,109 thousand, constituting 12% and 16% of consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, respectively.

Furthermore, as stated in Note 6(g), the other equity accounted investments of the Group in its investee companies of \$140,328 thousand and \$105,519 thousand as of March 31, 2026 and 2025, respectively, and share of profit of associates accounted for using equity method of \$5,749 thousand and \$25,839 thousand for the three months ended March 31, 2026 and 2025, 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 March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 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 An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

May 12, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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
March 31, 2026, December 31, 2025 and March 31, 2025
(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025				March 31, 2026		December 31, 2025		March 31, 2025	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a))	\$ 13,666,966	31	12,996,241	31	9,614,013	28	2100	Current borrowings (Note 6(n))	\$ 693,557	2	591,458	2	986,168	3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	842,362	2	845,461	2	505,559	1	2130	Current contract liabilities (Note 6(v))	6,933,888	16	5,945,979	14	4,707,282	14
1136	Current financial assets at amortized cost (Note 6(d))	39,698	-	39,591	-	-	-	2150	Notes payable	82,063	-	74,227	-	116,121	-
1140	Current contract assets (Note 6(v))	6,774,960	15	8,138,376	20	7,164,829	21	2170	Accounts payable	10,549,680	24	9,684,681	24	7,447,886	21
1150	Notes receivable, net (Note 6(e))	156,269	-	393,239	1	385,255	1	2201	Wages and salaries payable	524,622	1	1,131,210	3	496,217	1
1170	Accounts receivable, net (Note 6(e))	13,911,831	31	11,088,768	27	9,740,191	28	2216	Dividends payable	2,183,768	5	786,261	2	1,664,109	5
1200	Other receivables	41,192	-	34,866	-	32,454	-	2230	Current tax liabilities	1,185,633	3	795,578	2	953,168	3
1220	Current tax assets	61,043	-	59,795	-	36,297	-	2250	Current provisions (Note 6(q))	646,083	1	549,387	1	598,848	2
130X	Inventories, net (Note 6(f))	1,087,833	2	976,648	2	1,458,718	4	2280	Current lease liabilities (Note 6(p))	71,523	-	77,422	-	71,911	-
1410	Prepayments	1,232,650	3	1,029,940	3	1,130,345	3	2399	Other current liabilities, others (Note 9)	917,699	2	830,583	2	659,999	2
1470	Other current assets	741,531	2	643,572	2	610,878	2			23,788,516	54	20,466,786	50	17,701,709	51
1476	Other current financial assets (Note 8)	694,333	2	99,817	-	157,665	-	Non-current liabilities:							
		39,250,668	88	36,346,314	88	30,836,204	88	2550	Non-current provisions (Note 6(q))	2,500	-	2,500	-	2,500	-
Non-current assets:								2570	Deferred tax liabilities	1,423,592	3	1,302,674	3	1,158,140	3
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	41,858	-	41,891	-	41,446	-	2580	Non-current lease liabilities (Note 6(p))	89,761	-	97,999	-	64,238	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	3,172,295	7	3,056,349	7	2,206,710	6	2640	Net defined benefit liability, non-current	32,087	-	32,232	-	28,082	-
1535	Non-current financial assets at amortized cost (Note 6(d))	30,000	-	30,000	-	39,268	-	2645	Guarantee deposits received	152	-	152	-	152	-
1550	Investments accounted for using equity method (Note 6(g))	140,328	-	138,884	-	105,519	-			1,548,092	3	1,435,557	3	1,253,112	3
1600	Property, plant and equipment (Note 6(j))	889,084	2	890,361	2	834,678	3	Total liabilities		25,336,608	57	21,902,343	53	18,954,821	54
1755	Right-of-use assets (Note 6(k))	219,678	-	232,796	1	191,723	1	Equity attributable to owners of parent (Note 6(s)):							
1760	Investment property, net (Note 6(l))	232,755	1	218,710	1	217,388	1	3100	Share capital	620,405	1	620,405	2	620,405	2
1780	Intangible assets (Note 6(m))	71,823	-	70,815	-	74,232	-	3200	Capital surplus	3,827,301	9	3,820,560	9	3,804,043	11
1840	Deferred tax assets	249,240	1	233,512	1	256,200	1	3300	Retained earnings	6,951,338	15	7,165,779	17	4,967,106	14
1990	Other non-current assets, others (Note 8)	363,169	1	60,237	-	54,879	-	3400	Other equity interest	1,702,490	4	1,512,209	4	850,986	3
		5,410,230	12	4,973,555	12	4,022,043	12	Total equity attributable to owners of parent		13,101,534	29	13,118,953	32	10,242,540	30
Total assets		\$ 44,660,898	100	41,319,869	100	34,858,247	100	36XX	Non-controlling interests	6,222,756	14	6,298,573	15	5,660,886	16
								Total equity		19,324,290	43	19,417,526	47	15,903,426	46
								Total liabilities and equity		\$ 44,660,898	100	41,319,869	100	34,858,247	100

(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 ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
	Operating revenues: (Note 6(v))				
4520	Engineering service revenue	\$ 11,433,339	99	8,462,678	99
4100	Net sales revenue	<u>169,843</u>	<u>1</u>	<u>93,345</u>	<u>1</u>
		11,603,182	100	8,556,023	100
	Operating costs:				
5520	Cost of engineering sales (Note 6(p))	8,530,109	74	6,937,286	81
5110	Costs of sales (Note 6(f))	<u>128,241</u>	<u>1</u>	<u>82,289</u>	<u>1</u>
		<u>8,658,350</u>	<u>75</u>	<u>7,019,575</u>	<u>82</u>
	Gross profit from operations	<u>2,944,832</u>	<u>25</u>	<u>1,536,448</u>	<u>18</u>
	Operating expenses: (Note 6(p))				
6100	Selling expenses	102,613	1	84,570	1
6200	Administrative expenses	458,935	4	323,385	4
6300	Research and development expenses	72,873	1	80,684	1
6450	Excepted credit loss (Notes 6(e) and (y))	<u>10,813</u>	<u>-</u>	<u>24,149</u>	<u>-</u>
		<u>645,234</u>	<u>6</u>	<u>512,788</u>	<u>6</u>
	Net operating income	<u>2,299,598</u>	<u>19</u>	<u>1,023,660</u>	<u>12</u>
	Non-operating income and expenses: (Note 6(x))				
7100	Interest income	51,722	1	48,423	1
7010	Other income	6,962	-	6,081	-
7020	Other gains and losses, net	11,538	-	36,203	-
7050	Finance costs	(4,345)	-	(7,273)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(g))	<u>5,749</u>	<u>-</u>	<u>25,839</u>	<u>-</u>
		<u>71,626</u>	<u>1</u>	<u>109,273</u>	<u>1</u>
	Profit from continuing operations before tax	2,371,224	20	1,132,933	13
7950	Less: tax expense (Note 6(r))	<u>547,967</u>	<u>4</u>	<u>256,474</u>	<u>3</u>
	Profit from continuing operations	<u>1,823,257</u>	<u>16</u>	<u>876,459</u>	<u>10</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	50,886	-	(218,820)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>50,886</u>	<u>-</u>	<u>(218,820)</u>	<u>(2)</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	210,327	1	115,829	1
8367	Unrealized (losses) gains from investments in debt instruments measured at fair value through other comprehensive income	(13,574)	-	434	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(r))	<u>(49,899)</u>	<u>-</u>	<u>(26,685)</u>	<u>-</u>
		<u>146,854</u>	<u>1</u>	<u>89,578</u>	<u>1</u>
8300	Total other comprehensive income	<u>197,740</u>	<u>1</u>	<u>(129,242)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 2,020,997</u>	<u>17</u>	<u>747,217</u>	<u>9</u>
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	\$ 1,583,203	14	642,853	7
8620	Profit, attributable to non-controlling interests	<u>240,054</u>	<u>2</u>	<u>233,606</u>	<u>3</u>
		<u>\$ 1,823,257</u>	<u>16</u>	<u>876,459</u>	<u>10</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 1,775,013	15	506,877	6
8720	Comprehensive income, attributable to non-controlling interests	<u>245,984</u>	<u>2</u>	<u>240,340</u>	<u>3</u>
		<u>\$ 2,020,997</u>	<u>17</u>	<u>747,217</u>	<u>9</u>
	Earnings per share (Expressed in New Taiwan Dollars) (Note 6(u))				
9750	Basic earnings per share	<u>\$ 12.76</u>		<u>5.18</u>	
9850	Diluted earnings per share	<u>\$ 12.71</u>		<u>5.16</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 three months ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity interest					
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
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	10,970,120	5,756,190	16,726,310
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	-	(1,240,809)	(1,240,809)	-	-	-	(1,240,809)	-	(1,240,809)
Reversal of special reserve	-	-	-	(39)	39	-	-	-	-	-	-	-
Other changes in capital surplus	-	510	-	-	-	-	-	-	-	510	-	510
Net income	-	-	-	-	642,853	642,853	-	-	-	642,853	233,606	876,459
Other comprehensive income (loss)	-	-	-	-	-	-	66,097	(202,073)	(135,976)	(135,976)	6,734	(129,242)
Total comprehensive income (loss)	-	-	-	-	642,853	642,853	66,097	(202,073)	(135,976)	506,877	240,340	747,217
Changes in ownership interests in subsidiaries	-	5,842	-	-	-	-	-	-	-	5,842	-	5,842
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(335,644)	(335,644)
Balance at March 31, 2025	\$ 620,405	3,804,043	1,440,691	18,500	3,507,915	4,967,106	65,783	785,203	850,986	10,242,540	5,660,886	15,903,426
Balance at January 1, 2026	\$ 620,405	3,820,560	1,728,254	18,500	5,419,025	7,165,779	(41,292)	1,553,501	1,512,209	13,118,953	6,298,573	19,417,526
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	-	(1,799,173)	(1,799,173)	-	-	-	(1,799,173)	-	(1,799,173)
Other changes in capital surplus	-	5	-	-	-	-	-	-	-	5	-	5
Net income	-	-	-	-	1,583,203	1,583,203	-	-	-	1,583,203	240,054	1,823,257
Other comprehensive income	-	-	-	-	1,529	1,529	118,262	72,019	190,281	191,810	5,930	197,740
Total comprehensive income	-	-	-	-	1,584,732	1,584,732	118,262	72,019	190,281	1,775,013	245,984	2,020,997
Changes in ownership interests in subsidiaries	-	6,736	-	-	-	-	-	-	-	6,736	-	6,736
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(321,801)	(321,801)
Balance at March 31, 2026	\$ 620,405	3,827,301	1,728,254	18,500	5,204,584	6,951,338	76,970	1,625,520	1,702,490	13,101,534	6,222,756	19,324,290

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	2025
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,371,224	1,132,933
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses (including investment property)	43,738	39,444
Amortization expenses	8,941	14,916
Excepted credit loss	10,813	24,149
Net loss (gain) on financial assets at fair value through profit or loss	349	(3,148)
Interest expense	4,345	7,273
Interest income	(51,722)	(48,423)
Dividend income	(1,111)	(824)
Shares of profit of associates and joint ventures accounted for using equity method	(5,749)	(25,839)
Loss on disposal of property, plant and equipment	5	6,600
Gain on disposal of investments	(422)	-
Profit from lease modification	(20)	(12)
Total adjustments to reconcile loss	9,167	14,136
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	2,783	166,787
Decrease (increase) in contract assets	1,365,008	(583,137)
Decrease in notes receivable	237,732	181,110
Increase in accounts receivable	(2,841,476)	(1,201,945)
(Increase) decrease in inventories	(111,185)	178,770
(Increase) decrease in other operating assets	(896,141)	77,098
Total changes in operating assets	(2,243,279)	(1,181,317)
Changes in operating liabilities:		
Increase in contract liabilities	985,294	664,584
Increase (decrease) in notes payable	7,836	(49,356)
Increase (decrease) in accounts payable	864,764	(162,701)
Increase in provisions	85,639	27,561
Decrease in other operating liabilities	(520,033)	(538,399)
Total changes in operating liabilities	1,423,500	(58,311)
Total adjustments	(810,612)	(1,255,492)
Cash inflow (outflow) generated from operations	1,560,612	(92,559)
Interest received	46,482	52,088
Interest paid	(4,710)	(7,566)
Income taxes paid	(108,125)	(81,213)
Net cash flows from (used in) operating activities	1,494,259	(129,250)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(89,913)	(80,049)
Proceeds from disposal of financial assets at fair value through other comprehensive income	19,624	-
Net cash flow from acquisition of subsidiaries	103	-
Acquisition of property, plant and equipment	(13,741)	(20,263)
Proceeds from disposal of property, plant and equipment	-	460
Acquisition of intangible assets	(7,595)	(4,388)
(Increase) decrease in other non-current assets	(309,737)	9,157
Dividends received	1,111	824
Net cash flows from (used in) investing activities	(400,148)	(94,259)
Cash flows from (used in) financing activities:		
Increase in short-term loans	797,550	684,635
Decrease in short-term loans	(708,085)	(187,888)
Payments of lease liabilities	(23,965)	(20,822)
Cash dividends paid	(682,445)	(620,404)
Other changes in capital surplus	5	510
Change in non-controlling interests	(92,646)	(71,488)
Net cash flows from (used in) financing activities	(709,586)	(215,457)
Effect of exchange rate changes on cash and cash equivalents	286,200	153,699
Net increase (decrease) in cash and cash equivalents	670,725	(285,267)
Cash and cash equivalents at beginning of period	12,996,241	9,899,280
Cash and cash equivalents at end of period	\$ 13,666,966	9,614,013

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(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 March 31, 2026 comprise 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

These consolidated financial statements were authorized for issue by the Board of Directors on May 20, 2026.

(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, 2026:

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

- (b) 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:

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”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● 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 note : On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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.

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, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding (%)			Notes
			March 31, 2026	December 31, 2025	March 31, 2025	
(1) The Company	Nova Technology Corp. (Nova Tech)	Wholesale assemble, maintenance and design of electronic and chemical equipment	55.52	55.52	55.52	
	Her Suo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100	100	100	Note 10
	Enrich Tech Co., Ltd. (Enrich Tech)	Comprehensive construction company	56.94	56.94	56.94	Note 10
	Sheng Huei International Co. Ltd. (SHI)	Investment holding company	100	100	100	
	Sheng Huei Technology India Private Limited. (Acter India)	Construction and set-up of electronic equipment and air conditioners	99	99	99	Note 10
	Acter Group USA Inc. (Acter USA)	Construction and set-up of electronic equipment and air conditioners	100	100	-	Note 1 and Note 10
(2) Nova Tech	Suzhou Winmax Technology Co., Ltd. (Suzhou Winmax)	Contract design for chemical and slurry supply systems, wet process equipment, waste chemical recycling systems, and chemical purification and dispensing systems	86.59	86.59	86.59	Note 2
	Winmega Technology Corp. (Winmega)	Wholesale of electronic and chemical engineering equipment	100	100	100	
	Rayzher Industrial Co., Ltd. (Rayzher)	Gas supply system piping engineering and sales equipment	41.47	41.47	41.47	Note 9
	Dadewin Technology Corp. (Dadewin)	Designing engineering drawing	80	80	80	Note 10
	Theory High Tech Solutions Co., Ltd. (Theory High Tech)	Environmental protection business design	53	53	53	Note 3 and Note 10
	Xuanfu Tech Co., Ltd (Xuanfu)	3D modeling design of engineering drawings, software information services, and related business activities	80	-	-	Note 4 and Note 10
(3) Rayzher	Rayzher Technology Co., Ltd. (Japan Rayzher)	Gas supply system piping engineering and sales equipment	80	80	100	Note 5
	Rayzher Technology Singapore Pte. Ltd.(Singapore Rayzher)	Gas supply system piping engineering and sales equipment	100	100	100	

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding (%)			Notes
			March 31, 2026	December 31, 2025	March 31, 2025	
	Rayzher Technology USA Inc. (USA Rayzher)	Gas supply system piping engineering and sales equipment	100	100	-	Note 6
	Rayzher Investment Management Consulting Co., Ltd. (Rayzher Investment)	Investment business	70	-	-	Note 7
(4) Rayzher Investment	Rayzher Material Co., Ltd. (Rayzher Material)	Materials agency and sales	100	-	-	Note 8
(5) Suzhou Winmax	Winmax Technology Corp. (Winmax)	Contract design for chemical and slurry supply systems, wet process equipment, waste chemical recycling systems, and chemical purification and dispensing systems	100	100	100	
	Novatech Engineering & Construction Pte. Ltd. (NTEC)	Chemical supply system business	100	100	100	Note 10
(6) NTEC	Winmax Technology Malaysia Sdn. Bhd. (Malaysia Winmax)	Chemical supply system business	100	100	100	Note 10
(7) Her Suo	Acter India	Construction and set-up of electronic equipment and air conditioners	1	1	1	Note 10
(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)	Investment holding company and trading of equipment	100	100	100	Note 10
(9) Acter Integration	Shenzhen Dingmao Trade Co., Ltd. (Shenzhen Dingmao)	Electronic equipment and machinery trading	100	100	100	Note 10
	Sheng Huei (Shenzhen) Engineering Co., Ltd. (Shenzhen Sheng Huei)	Construction and set-up of electronic equipment and air conditioners	100	100	100	Note 10
	Acter International Limited. (AIL)	Investment holding company and trading of clean rooms and air conditioners	100	100	100	Note 10
	Acter Technology Singapore Pte. Ltd. (Acter Singapore)	Investment holding company	100	100	100	Note 10
	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 10
	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 10
	Acter Technology Malaysia Sdn. Bhd. (Acter Malaysia)	Construction and set up of electronic equipment and air conditioners	77.03	77.03	77.03	Note 10
(10) Acter Singapore	Acter Malaysia	Construction and set up of electronic equipment and air conditioners	22.97	22.97	22.97	Note 10
	PT Acter Technology Indonesia (Acter Indonesia)	Equipment trading and set-up	99	99	99	Note 10
	Acter Technology Co., Ltd. (Acter Thailand)	Set-up of electronic protection systems and central air conditioners	49	49	49	Note 10
(11) AIL	Acter Indonesia	Equipment trading and set-up	1	1	1	Note 10
	Acter Vietnam	Set-up of electronic protection systems and central air conditioners	63.64	63.64	63.64	Note 10

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1: The Company established the subsidiary Acter Group USA Inc. in December 2025, with 100% of the shares held by the Company. The Company made capital contributions in installments in January 2026 based on the total number of shares authorized by Acter USA.

Note 2: Suzhou Winmax Technology Corp. changed its name to Suzhou Winmax Technology Co., Ltd. in October 2025.

Note 3: Nova Tech established the subsidiary Theory High Tech Solutions Co., Ltd. in January 2025, with 53% of the shares held by Nova Tech.

Note 4: Nova Tech participated in the cash capital increase of Xuanfu in February 2026 and acquired an 80% equity interest. For details of the acquisition of the subsidiary and the resulting non-controlling interests, please refer to Note 6(h).

Note 5: 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%.

Note 6: Rayzher established the subsidiary Rayzher Technology USA Inc in May 2025, with 100% of the shares held by Rayzher.

Note 7: Rayzher established the subsidiary Rayzher Investment Management Consulting Co., Ltd. in January 2026, with 70% of the shares held by Rayzher.

Note 8: Rayzher Investment established the subsidiary Rayzher Material Co., Ltd. in February 2026, with 100% of the shares held by Rayzher Investment.

Note 9: 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 10: This is an immaterial subsidiary whose financial statements have not been reviewed.

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

(c) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

(d) 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.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

(e) 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, 2025.

(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, 2025.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Petty cash and cash on hand	\$ 4,945	3,896	4,792
Checking and demand deposits	4,164,299	4,059,448	3,873,217
Time deposits	8,458,399	8,115,148	4,218,343
Cash equivalent – repurchased commercial paper	1,039,323	817,749	1,517,661
	<u>\$ 13,666,966</u>	<u>12,996,241</u>	<u>9,614,013</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss – current:			
Non-derivative financial assets			
Structured deposits	\$ -	-	364,495
Beneficiary securities - open-end funds	795,152	791,802	78,347
Special shares	-	-	7,992
Corporate bonds	19,914	21,060	21,718
Domestic listed stocks	27,296	32,599	33,007
	<u>\$ 842,362</u>	<u>845,461</u>	<u>505,559</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets designated at fair value through profit or loss – non-current:			
Special shares	\$ 9,588	9,569	9,386
Domestic financial bonds	<u>32,270</u>	<u>32,322</u>	<u>32,060</u>
	<u>\$ 41,858</u>	<u>41,891</u>	<u>41,446</u>
(c) Financial assets at fair value through other comprehensive income			
	March 31, 2026	December 31, 2025	March 31, 2025
Debt investments at fair value through other comprehensive income – non-current:			
Corporate bonds	\$ 337,645	360,000	368,630
Foreign government bonds	18,090	18,085	19,337
Equity investments at fair value through other comprehensive income – non-current:			
Domestic listed stocks	2,754,947	2,608,935	1,763,726
Domestic emerging stocks	1,480	1,638	1,722
Domestic unlisted stocks	2,531	2,531	2,716
Foreign listed stocks	<u>57,602</u>	<u>65,160</u>	<u>50,579</u>
	<u>\$ 3,172,295</u>	<u>3,056,349</u>	<u>2,206,710</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 by 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 for strategic purposes.			
(iii) For credit risk and market risk; please refer to Note 6(y).			
(iv) The financial assets were not pledged.			
(d) Financial assets measured at amortized cost			
	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets measured at amortized cost – current			
Domestic financial bonds	<u>\$ 39,698</u>	<u>39,591</u>	<u>=</u>
Financial assets measured at amortized cost – non-current			
Domestic financial bonds	<u>\$ 30,000</u>	<u>30,000</u>	<u>39,268</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.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Therefore, these investments were classified as financial assets measured at amortized cost.

(i) For credit risk; please refer to Note 6(y).

(ii) The financial assets were not pledged.

(e) Notes and accounts receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	\$ 197,714	435,447	388,029
Less: loss allowance	(41,445)	(42,208)	(2,774)
	<u>\$ 156,269</u>	<u>393,239</u>	<u>385,255</u>
Accounts receivable	\$ 14,228,904	11,384,654	10,088,930
Less: loss allowance	(317,073)	(295,886)	(348,739)
	<u>\$ 13,911,831</u>	<u>11,088,768</u>	<u>9,740,191</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:

	March 31, 2026		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 13,298,818	-	-
121 to 180 days	373,311	0.5%	1,867
181 to 360 days	260,915	1%	2,609
361 to 540 days	141,295	40%~50%	57,355
More than 541 days	236,472	100%	236,472
	<u>\$ 14,310,811</u>		<u>298,303</u>

	December 31, 2025		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 10,683,460	-	-
121 to 180 days	377,199	0.5%	1,886
181 to 360 days	294,035	1%	2,940
361 to 540 days	135,625	40%~50%	59,078
More than 541 days	215,367	100%	215,367
	<u>\$ 11,705,686</u>		<u>279,271</u>

	March 31, 2025		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 9,253,782	-	-
121 to 180 days	481,967	0.5%	2,410
181 to 360 days	291,349	1%	2,913
361 to 540 days	173,226	40%~50%	83,483
More than 541 days	202,896	100%	202,896
	<u>\$ 10,403,220</u>		<u>291,702</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

	March 31, 2026		
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	-	-	-
181 to 360 days	-	-	-
361 to 540 days	52,080	20%	10,416
More than 541 days	47,799	100%	47,799
	\$ 115,807		60,215

	December 31, 2025		
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	-	-	-
181 to 360 days	-	-	-
361 to 540 days	52,080	20%	10,416
More than 541 days	46,407	100%	46,407
	\$ 114,415		58,823

	March 31, 2025		
Aging days	Gross carrying amount	Weighted-average loss rate	Loss allowance
1 to 120 days	\$ 56,548	75.37%	42,620
121 to 180 days	-	-	-
181 to 360 days	-	-	-
361 to 540 days	-	-	-
More than 541 days	17,191	100%	17,191
	\$ 73,739		59,811

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

	For the three months ended March 31	
	2026	2025
Balance, beginning of year	\$ 338,094	328,247
Impairment losses recognized	10,813	17,849
Effect of exchange rate changes	9,611	5,417
Balance, end of year	\$ 358,518	351,513

The notes and accounts receivables were not pledged.

(f) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods and merchandise	\$ 139,178	136,755	107,172
Work in process and semi-finished goods	9,699	8,325	13,089
Raw materials	1,049,517	924,559	1,451,985
	1,198,394	1,069,639	1,572,246
Less: Allowance for inventory valuation losses	(110,561)	(92,991)	(113,528)
	\$ 1,087,833	976,648	1,458,718

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025, the Group recognized the operating costs of \$16,614 thousand and \$5,175 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

	March 31, 2026	December 31, 2025	March 31, 2025
Associates	<u>\$ 140,328</u>	<u>138,884</u>	<u>105,519</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 March 31	
	2026	2025
Attributable to the Group:		
Profit	\$ 5,749	25,839
Other comprehensive income	-	-
Comprehensive income	<u>\$ 5,749</u>	<u>25,839</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) Acquisition of subsidiary and non-controlling interests

In February 2026, the Group acquired an 80% equity interest in Xuanfu through participation in its cash capital increase with a cash consideration of \$12,000 thousand.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

	Amounts
Cash and cash equivalents	\$ 12,103
Accounts receivable	2,773
Contract assets	1,592
Other current assets	237
Intangible assets	1,545
Deferred tax assets	454
Accounts payable	(235)
Contract liabilities	(2,615)
Other current liabilities	(854)
Total identifiable net assets acquired	<u>\$ 15,000</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

If the acquisition had occurred on January 1, 2026, management estimates that the Group's revenue and net profit after tax for the three months ended March 31, 2026 would have been \$11,603,182 thousand and \$1,821,443 thousand, respectively.

(i) 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		
		March 31, 2026	December 31, 2025	March 31, 2025
Nova Tech	R.O.C.	44.48%	44.48%	44.48%
Rayzher	R.O.C.	58.53%	58.53%	58.53%
Acter Integration	China	35.00%	35.00%	35.00%

The following information of the aforementioned subsidiaries have been prepared in accordance with IFRS endorsed by the FSC. Included in this information are the 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.

(i) Information regarding of Nova Tech:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 1,819,487	1,761,723	2,488,827
Non-current assets	5,440,448	5,260,363	4,533,698
Current liabilities	(1,637,596)	(1,242,212)	(2,076,903)
Non-current liabilities	(511,592)	(444,699)	(376,086)
Net assets	<u>\$ 5,110,747</u>	<u>5,335,175</u>	<u>4,569,536</u>

	For the three months ended March 31	
	2026	2025
Operating revenue	<u>\$ 421,353</u>	<u>291,013</u>
Net income for the period	\$ 298,838	231,996
Other comprehensive income	9,211	9,866
Comprehensive income	<u>\$ 308,049</u>	<u>241,862</u>
Net cash flows from operating activities	\$ 8,828	(19,973)
Net cash flows from investing activities	116,382	106,650
Net cash flows from financing activities	(235,371)	(227,555)
Net decrease in cash and cash equivalents	<u>\$ (110,161)</u>	<u>(140,878)</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Information regarding of Rayzher:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 2,348,795	2,505,307	2,221,062
Non-current assets	677,956	395,220	357,919
Current liabilities	(1,068,602)	(737,912)	(659,051)
Non-current liabilities	(20,972)	(20,421)	(19,223)
Net assets	<u>\$ 1,937,177</u>	<u>2,142,194</u>	<u>1,900,707</u>

	For the three months ended March 31	
	2026	2025
Operating revenue	<u>\$ 533,196</u>	<u>499,645</u>
Net income for the period	\$ 37,557	68,106
Other comprehensive income	641	618
Comprehensive income	<u>\$ 38,198</u>	<u>68,724</u>
Net cash flows from operating activities	\$ (151,363)	58,614
Net cash flows from investing activities	(311,089)	(2,428)
Net cash flows from financing activities	246,802	(2,962)
Net (decrease) increase in cash and cash equivalents	<u>\$ (215,650)</u>	<u>53,224</u>

(iii) Information regarding of Acter Integration:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 6,458,060	6,857,989	5,550,577
Non-current assets	2,406,185	2,302,027	2,054,497
Current liabilities	(3,239,845)	(3,780,629)	(2,395,153)
Non-current liabilities	(176,989)	(166,232)	(126,706)
Net assets	<u>\$ 5,447,411</u>	<u>5,213,155</u>	<u>5,083,215</u>

	For the three months ended March 31	
	2026	2025
Operating revenue	<u>\$ 1,570,590</u>	<u>1,058,494</u>
Net income for the period	118,608	107,090
Other comprehensive income	(41,644)	(18,690)
Comprehensive income	<u>\$ 76,964</u>	<u>88,400</u>
Net cash flows from operating activities	\$ 225,487	(199,674)
Net cash flows from investing activities	(12,297)	(150,879)
Net cash flows from financing activities	(975)	(187)
Effect of exchange rate changes	61,438	24,941
Net increase (decrease) in cash and cash equivalents	<u>\$ 273,653</u>	<u>(325,799)</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(j) Property, plant and equipment

	<u>Land</u>	<u>Building and construction</u>	<u>Other facilities</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2026	\$ <u>364,503</u>	<u>305,211</u>	<u>161,235</u>	<u>59,412</u>	<u>890,361</u>
Balance at March 31, 2026	\$ <u>364,503</u>	<u>292,400</u>	<u>167,642</u>	<u>64,539</u>	<u>889,084</u>
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 March 31, 2025	\$ <u>364,503</u>	<u>288,164</u>	<u>138,245</u>	<u>43,766</u>	<u>834,678</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the three months ended March 31, 2026 and 2025. 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, 2025 for other related information.

(k) Right-of-use assets

	<u>Land</u>	<u>Building and construction</u>	<u>Other facilities</u>	<u>Total</u>
Carrying amounts:				
Balance at January 1, 2026	\$ <u>57,495</u>	<u>124,066</u>	<u>51,235</u>	<u>232,796</u>
Balance at March 31, 2026	\$ <u>58,869</u>	<u>115,247</u>	<u>45,562</u>	<u>219,678</u>
Balance at January 1, 2025	\$ <u>58,804</u>	<u>94,159</u>	<u>45,663</u>	<u>198,626</u>
Balance at March 31, 2025	\$ <u>59,422</u>	<u>91,594</u>	<u>40,707</u>	<u>191,723</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 three months ended March 31, 2026 and 2025. 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, 2025 for other related information.

(l) 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.

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

	<u>Owned property</u>		<u>Right-of-use assets</u>	
	<u>Land and improvement</u>	<u>Building and construction</u>	<u>Land</u>	<u>Total</u>
Carrying amounts:				
Balance at January 1, 2026	\$ <u>115,341</u>	<u>97,928</u>	<u>5,441</u>	<u>218,710</u>
Balance at March 31, 2026	\$ <u>115,341</u>	<u>111,863</u>	<u>5,551</u>	<u>232,755</u>
Balance at January 1, 2025	\$ <u>115,341</u>	<u>97,159</u>	<u>5,642</u>	<u>218,142</u>
Balance at March 31, 2025	\$ <u>115,341</u>	<u>96,365</u>	<u>5,682</u>	<u>217,388</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2026 and 2025. 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, 2025 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, 2025.

(m) Intangible assets

	<u>Software</u>	<u>Dedicated certificate</u>	<u>Franchise and others</u>	<u>Total</u>
Carrying amounts:				
Balance at January 1, 2026	\$ <u>61,230</u>	<u>2,450</u>	<u>7,135</u>	<u>70,815</u>
Balance at March 31, 2026	\$ <u>61,073</u>	<u>3,637</u>	<u>7,113</u>	<u>71,823</u>
Balance at January 1, 2025	\$ <u>68,388</u>	<u>5,740</u>	<u>7,221</u>	<u>81,349</u>
Balance at March 31, 2025	\$ <u>64,132</u>	<u>2,900</u>	<u>7,200</u>	<u>74,232</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2026 and 2025. 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, 2025 for other related information.

(n) Short-term borrowing

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank loans	\$ <u>693,557</u>	<u>591,458</u>	<u>986,168</u>
Unused facilities	\$ <u>29,007,579</u>	<u>29,048,227</u>	<u>25,977,952</u>
Interest rate	<u>1.2%~2.08%</u>	<u>1.8%~8.02%</u>	<u>1.39%~4.20%</u>

(o) Bonds payable

The details of unsecured convertible bonds were as follows:

	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Total convertible corporate bonds issued	\$ 800,000	800,000
Cumulative converted amount	(800,000)	(800,000)
Corporate bonds issued balance	<u>\$ -</u>	<u>-</u>

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.

(p) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current	\$ <u>71,523</u>	<u>77,422</u>	<u>71,911</u>
Non-current	\$ <u>89,761</u>	<u>97,999</u>	<u>64,238</u>

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss was as follows:

	For the three months ended March 31	
	2026	2025
Interest on lease liabilities	\$ <u>1,326</u>	<u>939</u>
Expenses relating to short-term leases	\$ <u>41,486</u>	<u>31,206</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>6,935</u>	<u>5,973</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three months ended March 31	
	2026	2025
Total cash outflow for leases	\$ <u>73,712</u>	<u>58,940</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.

(q) Provisions (Including current and non-current)

	For the three months ended March 31	
	2026	2025
Balance, beginning of year	\$ 551,887	568,039
Provisions increase during the period	198,074	91,839
Provisions used during the period	(57,813)	(35,588)
Provisions reversed during the period	(54,622)	(28,690)
Effect of exchange rate changes	11,057	5,748
Balance, end of year	\$ <u>648,583</u>	<u>601,348</u>

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.

(r) Income tax

The components of income tax were as follows:

	For the three months ended March 31	
	2026	2025
Current income tax expense		
Current period	\$ <u>547,967</u>	<u>256,474</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended March 31	
	2026	2025
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	\$ (49,899)	(26,685)

The income tax returns of the Company have been assessed by the tax authorities through year 2024.

(s) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the three months ended March 31, 2026 and 2025. For the related information, please refer to Note 6(s) to the consolidated financial statements for the year ended December 31, 2025.

(i) Capital surplus

The components of the capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
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	1,599,213	1,592,477	1,576,313
Other	969	964	611
	\$ 3,827,301	3,820,560	3,804,043

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

According to the 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 stockholders' bonuses, and they will be recommended by the board of directors to be approved in the stockholders' meeting.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 distribute.

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 stockholders' 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

	2025 second half	2025 first half
Date of board resolution	2026.3.3	2025.11.7
Cash dividends to shareholders	<u>\$ 1,799,173</u>	<u>682,445</u>
Cash dividends per share (NTD)	<u>\$ 14.5</u>	<u>5.5</u>
	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>\$ 10.0</u>	<u>5.0</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, 2026	\$ (41,292)	1,553,501	1,512,209
Foreign currency exchange differences (net of tax)	118,262	-	118,262
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	72,019	72,019
Balance at March 31, 2026	<u>\$ 76,970</u>	<u>1,625,520</u>	<u>1,702,490</u>
Balance at January 1, 2025	\$ (314)	987,276	986,962
Foreign currency exchange differences (net of tax)	66,097	-	66,097
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	(202,073)	(202,073)
Balance at March 31, 2025	<u>\$ 65,783</u>	<u>785,203</u>	<u>850,986</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(t) Share-based payment

There were no significant changes in share-based payment during the periods from January 1 to March 31, 2026 and 2025. For the related information, please refer to Note 6(t) to the consolidated financial statements for the year ended December 31, 2025.

(u) Earnings per share (“EPS”)

Basic EPS

	For the three months ended March 31	
	2026	2025
Profit attributable to ordinary shareholders of the Company	\$ <u>1,583,203</u>	<u>642,853</u>
Weighted average number of ordinary shares (basic)	<u>124,081</u>	<u>124,081</u>
Basic EPS (in dollars)	\$ <u>12.76</u>	<u>5.18</u>

Diluted EPS

	For the three months ended March 31	
	2026	2025
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>1,583,203</u>	<u>642,853</u>
Weighted average number of ordinary shares (basic)	124,081	124,081
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	<u>459</u>	<u>449</u>
Weighted average number of ordinary shares (after adjusting the effect of dilutive potential ordinary shares)	<u>124,540</u>	<u>124,530</u>
Diluted EPS (in dollars)	\$ <u>12.71</u>	<u>5.16</u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31	
	2026	2025
Primary geographical markets		
Taiwan	\$ 7,784,456	4,638,402
Mainland China	2,817,434	2,365,208
Other countries	<u>1,001,292</u>	<u>1,552,413</u>
	\$ <u>11,603,182</u>	<u>8,556,023</u>
Major products		
Cleanroom electromechanical integration engineering	\$ 8,117,303	5,992,653
Water gasification supply integration engineering	2,329,368	2,095,605
Consumer industry electromechanical integration engineering	534,287	299,659
Biomedical integration engineering	452,381	74,761
High-tech equipment and materials sales and services	<u>169,843</u>	<u>93,345</u>
	\$ <u>11,603,182</u>	<u>8,556,023</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Contract balances

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Contract assets-construction and equipment	\$ 6,800,989	8,167,853	7,201,089
Less: allowance for impairment	<u>(26,029)</u>	<u>(29,477)</u>	<u>(36,260)</u>
	<u>\$ 6,774,960</u>	<u>8,138,376</u>	<u>7,164,829</u>
Contract liabilities	<u>\$ 6,933,888</u>	<u>5,945,979</u>	<u>4,707,282</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 three months ended March 31, 2026 and 2025.

(w) 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 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 ended March 31, 2026 and 2025, the Company estimated its employee remuneration amounting to \$125,935 thousand and \$50,510 thousand, and its directors' and supervisors' remuneration amounting to \$62,968 thousand and 25,255 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, 2025 and 2024, the Company estimated its employee remuneration amounting to \$280,797 thousand and \$201,677 thousand, and its directors' and supervisors' remuneration amounting to \$140,399 thousand and \$100,839 thousand, respectively. There is no different between estimation and paid. The information is available on the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Interest income

	<u>For the three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Interest income from bank deposits	\$ 41,418	35,742
Other interest income	<u>10,304</u>	<u>12,681</u>
	<u>\$ 51,722</u>	<u>48,423</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Other income

	For the three months ended March 31	
	2026	2025
Rent income	\$ 990	1,209
Dividend income	1,111	824
Other	4,861	4,048
	<u>\$ 6,962</u>	<u>6,081</u>

(iii) Other gains and losses

	For the three months ended March 31	
	2026	2025
Foreign exchange gains	\$ 11,450	39,643
Losses on disposals of property, plant and equipment	(5)	(6,600)
Gains on disposals of investments	422	-
Lease modification benefits	20	12
Net (losses) gains on financial assets at fair value through profit or loss	(349)	3,148
	<u>\$ 11,538</u>	<u>36,203</u>

(iv) Finance costs

	For the three months ended March 31	
	2026	2025
Interest expense-bank loan	\$ 3,019	6,290
Interest expense-lease liabilities	1,326	939
Interest expense-bonds	-	44
	<u>\$ 4,345</u>	<u>7,273</u>

(y) Financial Instruments

Except for the contention mentioned below, there was no significant change 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, 2025.

(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 March 31, 2026, December 31, 2025 and March 31, 2025, the Group assessed the concentration of credit risk arising from its major customer at percentages below 49%, 32% and 42%, respectively, of the total receivables. The other top four clients contributed no more than 9%, 15% and 10%, respectively, of the total receivables.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Receivables

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

Other financial assets measured 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 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, 2025. The impairment provision of \$6,300 thousand was recognized on advance payments for construction for the three months ended March 31, 2025.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, excluding notes payable, accounts payables, accrued salaries, dividends payable and other accrued expenses:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
March 31, 2026						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 693,557	694,964	694,964	-	-	-
Leases liabilities (including current and non-current)	<u>161,284</u>	<u>170,017</u>	<u>75,721</u>	<u>46,035</u>	<u>48,261</u>	<u>-</u>
	<u>\$ 854,841</u>	<u>864,981</u>	<u>770,685</u>	<u>46,035</u>	<u>48,261</u>	<u>-</u>
December 31, 2025						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 591,458	593,620	593,620	-	-	-
Leases liabilities (including current and non-current)	<u>175,421</u>	<u>185,215</u>	<u>81,921</u>	<u>47,587</u>	<u>55,707</u>	<u>-</u>
	<u>\$ 766,879</u>	<u>778,835</u>	<u>675,541</u>	<u>47,587</u>	<u>55,707</u>	<u>-</u>
March 31, 2025						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 986,168	988,883	988,883	-	-	-
Leases liabilities (including current and non-current)	<u>136,149</u>	<u>140,196</u>	<u>74,463</u>	<u>41,432</u>	<u>24,301</u>	<u>-</u>
	<u>\$ 1,122,317</u>	<u>1,129,079</u>	<u>1,063,346</u>	<u>41,432</u>	<u>24,301</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.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Market risk

1) Currency risk

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

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 41,815	31.905	1,334,108	48,217	31.450	1,516,425	45,848	33.103	1,517,706
CNY	36,892	4.6212	170,485	22,851	4.4866	102,523	40,235	4.5562	183,319
JPY	172,575	0.2000	34,515	155,614	0.2015	31,356	221,279	0.2199	48,659
SGD	1,378	24.8597	34,257	1,378	24.4699	33,720	1,735	24.7047	42,863
<u>Non-monetary items</u>									
USD	624	31.905	19,909	670	31.450	21,072	989	33.103	32,739
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	6,371	31.905	203,267	20,225	31.450	636,076	1,440	33.103	47,668
CNY	83,000	4.6212	383,560	77,233	4.4866	346,514	162,069	4.5562	738,419
JPY	293	0.200	59	-	-	-	6,521	0.2199	1,434
SGD	210	24.8597	5,221	-	-	-	364	24.7047	8,993

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 March 31, 2026 and 2025 would have increased (decreased) the before-tax net income by \$9,813 thousand and \$9,960 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 three months ended March 31, 2026 and 2025, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$11,450 thousand and \$39,643 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 assumption 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 which increases or decreases by 1% basic point when reporting to the internal management, which also represents the Group management's assessment of the reasonably possible interest rate change.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

If the interest rate increases/decreases by 1%, the Group's net income would decrease/increase by \$6,936 thousand and \$9,862 thousand for the three months ended March 31, 2026 and 2025, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing in 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 the profit and loss as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31			
	2026		2025	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
Increasing 3%	\$ 84,497	24,961	54,562	3,862
Decreasing 3%	\$ (84,497)	(24,961)	(54,562)	(3,862)

(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 lease liabilities, disclosure of fair value information is not required:

	March 31, 2026				
	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	\$ 842,362	842,362	-	-	842,362
Financial assets designated as fair value through profit or loss	41,858	41,858	-	-	41,858
Subtotal	884,220	884,220	-	-	884,220
Financial assets at fair value through other comprehensive income					
Corporate bonds	337,645	337,645	-	-	337,645
Foreign government bonds	18,090	18,090	-	-	18,090
Domestic listed stocks	2,754,947	2,754,947	-	-	2,754,947
Domestic emerging stocks	1,480	1,480	-	-	1,480
Domestic unlisted stocks	2,531	-	-	2,531	2,531
Foreign listed stocks	57,602	57,602	-	-	57,602
Subtotal	3,172,295	3,169,764	-	2,531	3,172,295
Financial assets measured at amortized cost					
Domestic financial bonds	69,698	-	69,698	-	69,698
Total	\$ 4,126,213	4,053,984	69,698	2,531	4,126,213

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 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	\$ 845,461	845,561	-	-	845,561
Financial assets designated as fair value through profit or loss	41,891	41,891	-	-	41,891
Subtotal	887,352	887,352	-	-	887,352
Financial assets at fair value through other comprehensive income					
Corporate bonds	360,000	360,000	-	-	360,000
Foreign government bonds	18,085	18,085	-	-	18,085
Domestic listed stocks	2,608,935	2,608,935	-	-	2,608,935
Domestic emerging stocks	1,638	1,638	-	-	1,638
Domestic unlisted stocks	2,531	-	-	2,531	2,531
Foreign listed stocks	65,160	65,160	-	-	65,160
Subtotal	3,056,349	3,053,818	-	2,531	3,056,349
Financial assets measured at amortized cost					
Domestic financial bonds	69,591	-	69,591	-	69,591
Total	\$ 4,013,292	3,941,170	69,591	2,531	4,013,292

March 31, 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	\$ 505,559	141,064	364,495	-	505,559
Financial assets designated as fair value through profit or loss	41,446	41,446	-	-	41,446
Subtotal	547,005	182,510	364,495	-	547,005
Financial assets at fair value through other comprehensive income					
Corporate bonds	368,630	368,630	-	-	368,630
Foreign government bonds	19,337	19,337	-	-	19,337
Domestic listed stocks	1,763,726	1,763,726	-	-	1,763,726
Domestic emerging stocks	1,722	1,722	-	-	1,722
Domestic unlisted stocks	2,716	-	-	2,716	2,716
Foreign listed stocks	50,579	50,579	-	-	50,579
Subtotal	2,206,710	2,203,994	-	2,716	2,206,710
Financial assets measured at amortized cost					
Domestic financial bonds	39,268	-	39,268	-	39,268
Total	\$ 2,792,983	2,386,504	403,763	2,716	2,792,983

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

Financial assets and financial liabilities measured at amortized cost. If there are 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.

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 three months ended March 31, 2026 and 2025.

5) Reconciliation of Level 3 fair values

There were no transfers from one level to another for the three months ended March 31, 2026 and 2025.

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.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

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 2026.03.31, 2025.12.31 and 2025.03.31 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:

			Effects of changes in fair value on other comprehensive income	
	Inputs	Increase or decrease	Favorable	Unfavorable
March 31, 2026				
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, 2025				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	10%	362	(362)
March 31, 2025				
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.

(z) 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, 2025.

(aa) 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, 2025. 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, 2025. Please refer to Note 6(aa) of the consolidated financial statements for the year ended December 31, 2025 for further details.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(bb) 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 three months ended March 31, 2026 and 2025, were as follows:

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

Reconciliation of liabilities from financing activities was as follows:

	January 1, 2026	Cash flows	Non-cash changes		March 31, 2026
			Foreign exchange movement	Increased	
Current borrowings	\$ 591,458	89,465	12,634	-	693,557
Lease liabilities	175,421	(23,965)	2,328	7,500	161,284
Total liabilities from financing activities	<u>\$ 766,879</u>	<u>65,500</u>	<u>14,962</u>	<u>7,500</u>	<u>854,841</u>

	January 1, 2025	Cash flows	Foreign exchange movement	Non-cash changes			March 31, 2025
				Increased	Transfer to share capital and capital surplus	Amortization	
Current borrowings	\$ 479,667	496,747	9,754	-	-	-	986,168
Lease liabilities	142,923	(20,822)	1,465	12,583	-	-	136,149
Bonds payable	44,330	-	-	-	(44,374)	44	-
Total liabilities from financing activities	<u>\$ 666,920</u>	<u>75,925</u>	<u>11,219</u>	<u>12,583</u>	<u>(44,374)</u>	<u>44</u>	<u>1,122,317</u>

(7) Related-party transactions

(a) Significant transactions with related parties: None

(b) Key management personnel compensation

Remuneration of key management personnel includes:

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	\$ 156,563	75,408
Post-employment benefits	135	135
	<u>\$ 156,698</u>	<u>75,543</u>

(8) Pledged assets

The Group's pledged assets were as follows:

Asset	Purpose of pledge	March 31, 2026	December 31, 2025	March 31, 2025
Other financial assets — current:				
Demand deposit and time deposit	Contract fulfillment and warranty guarantee	\$ 501,385	13,073	60,345
Demand deposit	Work safety reserve fund	3,644	3,644	3,621
Other non-current assets:				
Time deposit	Warranty guarantee	-	-	5,607
		<u>\$ 505,029</u>	<u>16,717</u>	<u>69,573</u>

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(9) Commitments and contingencies

Significant commitments and contingencies for the Group as of March 31, 2026, December 31, 2025, and March 31, 2025 were as follows:

- (a) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to \$2,573,546 thousand, \$2,619,355 thousand and \$2,340,040 thousand, respectively.
- (b) The amounts pledged to the bank for engaging in construction contracts amounted to \$4,800,059 thousand, \$4,212,360 thousand and \$4,594,699 thousand, respectively.
- (c) Contract fulfillment guarantee and warranty guarantee (excluding related parties) for the competitive corporations amounted to \$2,004,700 thousand for both years.
- (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.
- (e) The Company's subsidiary, Suzhou Winmax, entered into an investment agreement with the Suzhou Hushuguan Economic and Technological Development Zone Management Committee (Management Committee) in May 2023, wherein Suzhou Winmax will purchase land from the Management Committee to establish its R&D and sales center, and its future listing entity in China. The Management Committee will provide Suzhou Winmax with land, talent and related equipment needed for building construction. In light of the above matter, Suzhou Winmax is expected to increase its capital to USD37,000 thousand by June 2030. Prior to its listing, if Suzhou Winmax plans to raise funds, it shall agree to grant the Management Committee a priority investment quota of up to CNY50,000 thousand under the same conditions. Based on a resolution approved during its board meeting held on October 24, 2024, Suzhou Winmax constructed its headquarters building through a lease arrangement, at a total maximum amount of CNY50,000 thousand (tax included). As of March 31, 2026, the procurement contracts of CNY18,970 thousand had been executed, in which the amount of CNY5,855 thousand has yet to be invested, hence, has not been recognized as construction in progress.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (f) The Company's subsidiary, Rayzher, entered into an agreement with ProAsia Semiconductor Corporation (ProAsia) for the "Cleanroom Hook-up", at an amount of \$62,000 thousand, wherein a deposit of \$12,400 thousand was received in accordance with the contract. During the construction period, design modifications were made to accommodate the requirements of a third-party owner, resulting in the contract price to increase to \$31,286 thousand due to the adjustments needed to be made to the project. Although the Project has been fully completed, ProAsia has asserted that the Project constitutes a turnkey contract; and therefore, denies the existence of any additional work, and has refused to pay the remaining contract amount, acceptance payment, and variation claims, totaling \$80,886 thousand (before tax). Thereafter, Rayzher has engaged legal counsel and initiated litigation regarding the disputed project payments. The case has been accepted by the Hsinchu District Court of Taiwan and is currently under judicial review. As of the date the financial statements were authorized for issue, the outcome of the litigation remains uncertain due to ongoing legal proceedings. However, based on the Group's assessment, the litigation is not expected to have a material impact on the Group's overall financial position or operations.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other

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

		For the three months ended March 31					
		2026			2025		
By item	By function	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		\$ 459,440	428,505	887,945	364,792	303,526	668,318
Labor, health and social insurance		50,387	42,844	93,231	45,814	34,913	80,727
Pension		10,178	3,440	13,618	9,059	2,740	11,799
Others		14,436	20,208	34,644	14,001	12,218	26,219
Depreciation		13,012	29,126	42,138	11,387	26,666	38,053
Amortization		259	8,682	8,941	229	14,687	14,916

Note: Depreciation for investment property for the three months ended March 31, 2026 and 2025, were \$1,600 thousand and \$1,391 thousand, respectively, and were recorded in non-operating expenses.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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 three months ended March 31, 2026:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 1)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
1	SHI	AIL	Other receivables due from related parties	Y	106,882	89,334	89,334	4.50	Short-term financing	-	Operating capital	-	None	-	4,258,885	4,258,885
1	SHI	Acter India	Long-term receivables due from related parties	Y	79,763	79,763	79,763	6.16	Short-term financing	-	Operating capital	-	None	-	4,258,885	4,258,885
2	Winmax	Suzhou Winmax	Other receivables due from related parties	Y	369,696	369,696	323,484	2.40	Short-term financing	-	Operating capital	-	None	-	1,213,967	1,213,967
3	Rayzher	Singapore Rayzher	Other receivables due from related parties	Y	50,000	50,000	-	-	Short-term financing	-	Operating capital	-	None	-	387,435	581,153
3	Rayzher	USA Rayzher	Other receivables due from related parties	Y	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	None	-	387,435	581,153

Note 1. The ending balance was the used credit line approved by the Board of Directors for the three months ended March 31, 2026.

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 networth.
- (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 remains limited, shall not exceed 90% of SHI's net worth.

3. 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 networth.

4. Rayzher:

- (1) The total amount available for lending purpose shall not exceed 40% of Rayzher's net worth.
- (2) The total amount available for short-term financing needs, shall not exceed 30% of Rayzher's net worth; and the amount available for single party for short-term financing needs shall not exceed 20% of Rayzher's net worth.

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

Note 4. The transaction had been eliminated upon consolidation.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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	65,507,670	1,025,500	1,025,500	1,025,500	-	7.83	104,812,272	Y	N	N
0	The Company	Enrich Tech	2	65,507,670	1,025,756	1,025,756	625,756	-	7.83	104,812,272	Y	N	N
0	The Company	SHI	2	65,507,670	2,632,163	2,632,163	383,557	-	20.09	104,812,272	Y	N	N
0	The Company	Acter India	2	65,507,670	959,758	949,518	511	-	7.25	104,812,272	Y	N	N
0	The Company	Yida Construction	5	39,304,602	414,000	414,000	414,000	-	3.16	65,507,670	N	N	N
0	The Company	Kedge Construction	5	39,304,602	1,590,700	1,590,700	1,590,700	-	12.14	65,507,670	N	N	N
1	Her Suo	The Company	3	11,949,240	5,275,806	5,275,806	5,275,806	-	1,324.55	13,940,780	N	Y	N
2	Nova Tech	Winmax	2	10,221,494	18,958	18,958	18,958	-	0.37	15,332,241	N	N	Y
2	Nova Tech	Theory High Tech	2	10,221,494	748	748	748	-	0.01	15,332,241	N	N	N
3	Acter Integration	Shenzhen Sheng Huei	2	32,684,466	92,424	92,424	-	-	1.70	43,579,288	N	N	Y
3	Acter Integration	Acter Vietnam	2	32,684,466	4,489,952	4,489,952	4,489,952	-	82.42	43,579,288	N	N	N
3	Acter Integration	Shenzhen Dingmao	2	32,684,466	300,378	300,378	-	-	5.51	43,579,288	N	N	Y
3	Acter Integration	Acter Malaysia	2	32,684,466	4,246	4,246	-	-	0.08	43,579,288	N	N	N
4	Enrich Tech	The Company	3	5,427,900	1,730,666	1,730,666	1,730,666	-	956.54	6,332,550	N	Y	N
5	Rayzher	Japan Rayzher	2	1,937,177	595,080	580,000	20,000	-	29.94	3,874,354	N	N	N
5	Rayzher	Singapore Rayzher	2	1,937,177	127,620	127,620	-	-	6.59	3,874,354	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.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (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 the 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 company's net worth. Also, the maximum amount for single party shall not exceed 1500% of each company'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.

5. 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.

6. 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 200% of Rayzher's net worth. Also, the maximum amount for single party shall not exceed 100% 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 200% of Rayzher's net worth. Also, the maximum amount for single party shall not exceed 100% of Rayzher's net worth.

Note 2. The net worth was audited or reviewed 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.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iii) Material securities held at the end of the period (excluding investment in subsidiaries or associates and interest in joint ventures):

(In Thousands of New Taiwan Dollars/Shares)

Name of holder	Category and name of security	Relationship with the company	Account title	March 31, 2026				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	1,169,343	3.69	1,169,343	
The Company	AMPOC Far-East Co., Ltd. stock	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	2,879	303,691	2.27	303,691	
Nova Tech	AMPOC Far-East Co., Ltd. stock	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	4,774	503,696	3.77	503,696	
The Company	Waste Recovery Technology Inc. stock	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	1,865	559,593	7.84	559,593	

- (iv) Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.

- (v) Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.

- (vi) Business relationships and material transactions between the parent company and its subsidiaries and among its subsidiaries: None.

- (b) Information on investees:

The followings are the information on investees for the three months ended March 31, 2026:

(In Thousands of New Taiwan Dollars/Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	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%	2,837,553	298,838	165,919	Note 2
The Company	Her Suo	Hsinchu	Construction and set-up of freezing equipment	60,000	60,000	10,000	100%	502,583	104,275	104,275	Note 2
The Company	Enrich Tech	Taichung	Comprehensive construction company	68,841	68,841	8,142	56.94%	106,857	6,736	3,835	Note 2
The Company	SHI	Samoa	Investment holding company	121,302	121,302	3,950	100%	4,732,094	87,574	87,574	Note 2
The Company	Acter India	India	Construction and set-up of electronic equipment and air conditioners	32,016	32,016	8,316	99%	17,494	(3,339)	(3,339)	Note 2
The Company	Acter USA	USA	Construction and set-up of electronic equipment and air conditioners	220,836	157,820	700,000	100%	223,431	239	239	Note 2
Her Suo	Acter India	India	Construction and set-up of electronic equipment and air conditioners	324	324	84	1%	-	(3,339)	-	Note 2
Nova Tech	Winmega	Hsinchu	Wholesale of electronic and chemical engineering equipment	15,000	15,000	3,000	100%	169,549	11,640	11,640	Note 2
Nova Tech	Rayzher	Hsinchu	Gas supply system piping engineering and sales equipment	518,896	518,896	14,408	41.47%	803,305	37,557	15,574	Note 2
Nova Tech	Dadewin	Hsinchu	Designing engineering drawing	4,000	4,000	400	80%	2,074	1,219	975	Note 2

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (in thousands)	Percentage of ownership	Carrying value			
Nova Tech	Theory High Tech	Hsinchu	Environmental protection business design	10,600	10,600	1,060	53%	6,891	(918)	(486)	Note 2
Nova Tech	Xuanfu	Hsinchu	3D modeling design of engineering drawings, software information services, and related business activities	12,000	-	1,200	80%	11,660	(2,240)	(340)	Note 2
Suzhou Winmax	NTEC	Singapore	Chemical supply system business	24,179	24,179	1,000	100%	342,822	63,232	63,232	Note 2
NTEC	Malaysia Winmax	Malaysia	Chemical supply system business	7,359	7,359	1,000	100%	7,167	(213)	(213)	Note 2
Rayzher	Japan Rayzher	Japan	Gas supply system piping engineering and sales equipment	33,243	33,243	16	80%	(1,562)	(8,395)	(6,716)	Note 2
Rayzher	Singapore Rayzher	Singapore	Gas supply system piping engineering and sales equipment	24,180	24,180	1,000	100%	4,795	(5,268)	(5,268)	Note 2
Rayzher	USA Rayzher	USA	Gas supply system piping engineering and sales equipment	58,832	58,832	2,000	100%	40,572	(10,972)	(10,972)	Note 2
Rayzher	Rayzher Investment	Hsinchu	Investment business	7,000	-	700	70%	6,890	(157)	(110)	Note 2
Rayzher Investment	Rayzher Material	Hsinchu	Materials agency and sales	4,500	-	450	100%	4,350	(150)	(150)	Note 2
SHI	New Point	Seychelles	Trading of equipment	6,110	6,110	200	100%	8,075	65	65	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%	632,462	44,796	44,796	Note 2
Acter Integration	Acter Singapore	Singapore	Investment holding company	80,000	80,000	3,376	100%	336,496	8,375	8,375	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%	84,327	(244)	(163)	Note 2
Acter Integration	Acter Vietnam	Vietnam	Set up of electronic protection systems and central air conditioners	65,024	65,024	Note 1	36.36%	338,012	73,773	26,827	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%	74,443	(574)	(442)	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%	22,199	(574)	(132)	Note 2
Acter Singapore	Acter Indonesia	Indonesia	Equipment trading and set-up	14,816	14,816	990	99%	105,503	348	345	Note 2
Acter Singapore	Acter Thailand	Thailand	Set-up of electronic protection systems and central air conditioners	14,428	14,428	147	49%	176,502	14,623	7,165	Note 2
Acter Singapore	DJR	Thailand	Investment holding company	908	908	13	25%	11,063	1,824	456	
Acter Singapore	Daejin Road	Thailand	Investment holding company	1,371	1,371	13	25%	16,708	2,755	689	

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (in thousands)	Percentage of ownership	Carrying value			
AIL	Acter Indonesia	Indonesia	Equipment trading and set-up	150	150	10	1%	1,066	348	3	Note 2
AIL	Acter Vietnam	Vietnam	Set up of electronic protection systems and central air conditioners	109,246	109,246	Note 1	63.64%	591,521	73,773	46,946	Note 2
AIL	Space	Thailand	Investment holding company and trading of equipment	7,308	7,308	74	49%	85,874	7,155	3,505	
AIL	DJR	Thailand	Investment holding company	871	871	12	24%	10,629	1,824	438	
AIL	Daejin Road	Thailand	Investment holding company	1,317	1,317	12	24%	16,054	2,755	661	

Note 1: Limited company.

Note 2: The transactions have been eliminated upon consolidation.

(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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 9)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Winmax	Contract design for chemical and slurry supply systems, wet process equipment, waste chemical recycling systems, and chemical purification and dispensing systems	151,426 (Note 1)	3	9,635	-	-	9,635	209,935	48.08%	100,932	1,459,124	1,482,545
Acter Integration	Construction and set-up of electronic equipment and air conditioners	341,919 (Note 2)	2	106,177	-	-	106,177	118,608	65.00%	77,092	3,540,670	958,869 (Note 5)
Shenzhen Dingmao	Electronic equipment and machinery trading	22,984	3	-	-	-	-	23,495	65.00%	15,271	210,391	-
Shenzhen Sheng Hwei	Construction and set-up of electronic equipment and air conditioners	172,877 (Note 3)	3	15,980	-	-	15,980	(1,918)	65.00%	(1,247)	130,517	55,876 (Note 5)
Suzhou Winmax	Contract design for chemical and slurry supply systems, wet process equipment, waste chemical recycling systems, and chemical purification and dispensing systems	935,507 (Note 4)	1	32,478	-	-	32,478	263,724	48.08%	126,793	2,118,680	296,329

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026 (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)	7,860,920

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 and 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. The total amount of capital included the capital increase incurred from retained earnings of USD5,252 thousand in 2025.

Note 5: It included retained earnings to the Company amount \$457,505 thousand (USD15,166 thousand) and CNY127,267 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 \$296,329 thousand (USD9,838 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, Suzhou Winmax and Rayzher 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 transactions:

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”.

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

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

For the three months ended March 31, 2026	Taiwan	Mainland China	Other	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 7,805,685	2,883,711	913,786	-	11,603,182
Intersegment revenues	9,014	76,821	-	(85,835)	-
Total revenue	<u>\$ 7,814,699</u>	<u>2,960,532</u>	<u>913,786</u>	<u>(85,835)</u>	<u>11,603,182</u>
Reportable segment profit or loss	<u>\$ 1,456,549</u>	<u>239,713</u>	<u>127,003</u>	<u>(8)</u>	<u>1,823,257</u>
For the three months ended March 31, 2025	Taiwan	Mainland China	Other	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 4,672,459	2,340,405	1,543,159	-	8,556,023
Intersegment revenues	3,468	84,920	-	(88,388)	-
Total revenue	<u>\$ 4,675,927</u>	<u>2,425,325</u>	<u>1,543,159</u>	<u>(88,388)</u>	<u>8,556,023</u>
Reportable segment profit or loss	<u>\$ 600,380</u>	<u>166,602</u>	<u>115,068</u>	<u>(5,591)</u>	<u>876,459</u>
Reportable segment assets					
March 31, 2026	<u>\$ 39,017,830</u>	<u>19,517,889</u>	<u>10,499,640</u>	<u>(24,374,461)</u>	<u>44,660,898</u>
December 31, 2025	<u>\$ 35,379,248</u>	<u>18,617,785</u>	<u>9,802,268</u>	<u>(22,479,432)</u>	<u>41,319,869</u>
March 31, 2025	<u>\$ 29,998,301</u>	<u>16,249,550</u>	<u>9,130,103</u>	<u>(20,519,707)</u>	<u>34,858,247</u>
Reportable segment liabilities					
March 31, 2026	<u>\$ 17,965,549</u>	<u>11,551,710</u>	<u>2,537,370</u>	<u>(6,718,021)</u>	<u>25,336,608</u>
December 31, 2025	<u>\$ 14,000,485</u>	<u>6,169,296</u>	<u>2,255,626</u>	<u>(523,064)</u>	<u>21,902,343</u>
March 31, 2025	<u>\$ 12,499,094</u>	<u>4,910,482</u>	<u>2,557,266</u>	<u>(1,012,021)</u>	<u>18,954,821</u>