

Stock Code: 6771

Ping Ho Environmental Technology Co., Ltd.
Parent Company Only Financial Statements and
Independent Auditors' Report
For the years ended December 31, 2025 and 2024

Address: No. 6, Bengong Rd., Gangshan Dist., Kaohsiung City

Company Phone: (07) 623-3690

Notice to Readers

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Parent Company Only Financial Statements

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Notes to the Parent Company Only Financial Statements of Ping Ho Environmental
Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Independent Auditors' Report

To the Board of Directors and Stockholders of Ping Ho Environmental Technology Co., Ltd.

Opinion

We have audited the accompanying Individual Balance Sheets of Ping Ho Environmental Technology Co., Ltd. as at December 31, 2025 and December 31, 2024, and the related Individual Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of Ping Ho Environmental Technology Co., Ltd. as of December 31, 2025 and December 31, 2024, and its individual financial performance and individual cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Ping Ho Environmental Technology Co., Ltd. for the year 2025. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of revenue

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

The main operating revenue of Ping Ho Environmental Technology Co., Ltd. comes from the Wastewater Treatment. Since there are numerous entrusted wastewater treatment customers, the existence and completeness of the transactions with the customers affect the amount and timing of revenue recognition. Therefore, we identified the recognition of revenues as a key audit matter.

Our audit procedures include (but not limited to) understanding and evaluating the appropriateness of the primary internal control design related to revenue recognition and testing its effectiveness; confirming the validity of the emission qualifications approved by environmental authorities, confirming that it's a polluting factory within the zone and obtaining a triple receipt from the Environmental Protection Agency, verifying the accuracy of the report information used by management to calculate revenues, including spot-checking the billing items and handling volumes in the report to the contract content and related weigh note, as well as checking the accuracy and reasonableness of its calculations. Also, according to the terms set by the contract, as well as whether the processing volume stated in the documents reported to the external environmental agencies is consistent with the company's records, to confirm the appropriate recognition of revenue. In addition, we also considered the appropriateness of the disclosures about operating revenue in Note 4 and Note 6 of the financial statements.

The responsibility of the management and governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining necessary internal control related to the preparation of the Parent Company Only Financial Statements to ensure they are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is also responsible for assessing the ability of Ping Ho Environmental Technology Co., Ltd. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Ping Ho Environmental Technology Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibility for the audit of the financial statements

The objective of our audit of the financial statements of the entity is to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists in the individual financial statements. Misrepresentation can arise from fraud or error. If, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these entity financial statements.

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

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

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental
Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

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

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

From the matters communicated with those charged with governance, we determine those matters of Ping Ho Environmental Technology Co., Ltd. that were of most significance in the audit of the individual financial statements for the year 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communicate.

Ernst & Young Global Limited

The competent authorities approved the financial
report of the public offering company

Auditing and Certification No.: Jin-Guan-Cheng-
Shen-Zi No. 1100352201

Financial-Supervisory-Securities No.0970038990

Auditor: Kuo-Sen Hung
Chen Zhengchu

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental
Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

March 6, 2026

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Ping Ho Environmental Technology Co., Ltd.
Individual Balance Sheet
December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Unit: in thousands of New Taiwan Dollars													
Assets			December 31, 2025		December 31, 2024		Liabilities and equity						
Code	Account Item	Notes	Amount	%	Amount	%	Code	Account Item	Notes	Amount	%	Amount	%
1100	CURRENT ASSETS						2120	CURRENT LIABILITIES					
1110	Cash and cash equivalents	(Note 4)/ (Note 6).1	\$193,275	15	\$144,732	15	2150	Financial liabilities at FVTPL - current	(Note 6).10	\$2,415	0	\$-	-
1136	Financial assets at fair value through profit or loss - current	(Note 4)/ (Note 6).2	38,643	3	42,471	4	2180	Notes payable		4,220	1	4,527	0
1150	Current financial assets at amortized cost	(Note 4)/ (Note 6).3	8,000	1	25,000	3	2200	Accounts payable - related parties	(Note 7)	17,041	1	18,854	2
1170	Bills receivable, net	(Note 4)/ (Note 6).4	19,008	1	20,731	2	2220	Other payables		55,759	4	59,171	6
1180	Accounts receivable, net	(Note 4)/ (Note 6).5	65,117	5	79,788	8	2230	Other payables - related parties	(Note 7)	13,048	1	15,072	2
1200	Accounts receivable - related parties	(Note 4)/ (Note 6).5/ (Note 7)	1,504	0	4,999	1	2399	Current income tax liabilities	(Note 4)/ (Note 6).20	12,754	1	12,854	1
1210	Other receivables	(Note 4)	11	0	11	0	21xx	Other current liabilities		72	0	40	0
130x	Other receivables - related parties	(Note 7)	53	0	50,406	5	2xxx	Total current liabilities		105,309	8	110,518	11
1410	INVENTORIES	(Note 4)/ (Note 6).6	1,366	0	1,453	0							
1470	Prepayments	(Note 7)	5,901	0	3,359	0		NONCURRENT LIABILITIES					
11xx	Other current assets		6	0	-	-	2530	Bonds payable	(Note 6).11	330,797	25	-	-
	Total current assets		332,884	25	372,950	38	25xx	Total noncurrent liabilities		330,797	25	-	-
							2xxx	Total liabilities		436,106	33	110,518	11
1550	NONCURRENT ASSETS												
1600	Investments accounted for using equity method	(Note 4)/ (Note 6).7	723,237	55	322,519	33		Equity	(Note 6).13				
1990	PROPERTY, PLANT AND EQUIPMENT	(Note 4)/ (Note 6).8/ (Note 7)	239,525	18	255,984	27	3100	Share capital					
15xx	Other noncurrent assets	(Note 4)/ (Note 6).9/ (Note 7)	23,322	2	20,507	2	3110	Capital stock		311,795	24	311,795	32
	Total noncurrent assets		986,084	75	599,010	62	3200	Capital surplus		280,156	21	261,215	27
							3300	Retained earnings					
							3310	Legal reserve		109,373	8	97,596	10
							3350	Unappropriated retained earnings		181,538	14	190,836	20
								Total Retained Earnings		290,911	22	288,432	30
1xxx	Total equity						3xxx	Total equity		882,862	67	861,442	89
	Total liabilities and equity		\$1,318,968	100	\$971,960	100				\$1,318,968	100	\$971,960	100

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Ming-Yang Wu

Executive officers: Huang Hongjie

Accounting Manager: Chen Yisheng

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Ping Ho Environmental Technology Co., Ltd.
Individual Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars						
Code	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Revenue	(Note 4)/(Note 6).15/(Note 7)	\$508,739	100	\$518,393	100
5000	COST OF REVENUE	(Note 6).6, 18/(Note 7)	(322,088)	(63)	(337,546)	(65)
5900	GROSS PROFIT		<u>186,651</u>	<u>37</u>	<u>180,847</u>	<u>35</u>
6000	Operating expenses	(Note 6).18/(Note 7)				
6200	Administrative expenses		(50,712)	(10)	(48,023)	(9)
6300	Research and development		(13,066)	(3)	(11,760)	(3)
	Total operating expenses		<u>(63,778)</u>	<u>(13)</u>	<u>(59,783)</u>	<u>(12)</u>
6900	INCOME FROM OPERATIONS		<u>122,873</u>	<u>24</u>	<u>121,064</u>	<u>23</u>
7000	NON-OPERATING INCOME AND EXPENSES	(Note 6).19/(Note 7)				
7100	Interest revenue		2,994	1	2,277	0
7010	Other income		1,280	0	1,118	0
7020	Other gains and losses		(8,759)	(2)	(7,025)	(1)
7050	FINANCE COSTS		(5,531)	(1)	(21)	(0)
7070	Share of profits of subsidiaries, associates, and joint ventures accounted for using the equity method.	(Note 4)/(Note 6).7	26,164	5	26,063	6
	Total NON-OPERATING INCOME AND EXPENSES		<u>16,148</u>	<u>3</u>	<u>22,412</u>	<u>5</u>
7900	Income before income tax		<u>139,021</u>	<u>27</u>	<u>143,476</u>	<u>28</u>
7950	Income tax expenses	(Note 4)/(Note 6).20	(25,677)	(5)	(25,196)	(5)
8200	Net income after tax		<u>113,344</u>	<u>22</u>	<u>118,280</u>	<u>23</u>
8500	Total comprehensive income (loss)		<u>\$113,344</u>	<u>22</u>	<u>\$118,280</u>	<u>23</u>
	Earnings per share (NTD)	(Note 4)/(Note 6).21				
9750	Basic Earnings Per Share		<u>\$3.64</u>		<u>\$3.89</u>	
9850	Diluted earnings per share		<u>\$3.30</u>		<u>\$3.86</u>	

Chairman: Ming-Yang Wu (Please refer to the Notes to the Parent Company Only Financial Statements)
Executive officers: Huang Hongjie Accounting Manager: Chen Yisheng

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Ping Ho Environmental Technology Co., Ltd.
Individual Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars						
	Item	Capital stock	Capital surplus	Retained earnings		Total equity
				Legal reserve	Unappropriated retained earnings	
Code		3110	3200	3310	3350	3XXX
A1	Balance on January 1, 2024	\$291,795	\$146,721	\$83,711	\$203,668	\$725,895
	Appropriation of Earnings Proposal for the year ended December 2023					
B1	Provision for legal reserve	-	-	13,885	(13,885)	-
B5	Common stock cash dividends	-	-	-	(116,718)	(116,718)
D1	Net income after tax for the year ended December 2024	-	-	-	118,280	118,280
D3	Other comprehensive income (loss) for the year ended December 2024	-	-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	118,280	118,280
E1	Cash capital increase	20,000	109,781	-	-	129,781
M5	From the difference between the actual consideration received or acquisitions of or disposal of subsidiaries' equity and the carrying amount	-	(12)	-	-	(12)
M7	Changes in ownership interests in subsidiaries	-	-	-	(509)	(509)
N1	Share-based payment transaction	-	4,725	-	-	4,725
Z1	Balance at December 31, 2024	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442
A1	Balance on January 1, 2025	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442
	Appropriation of Earnings Proposal for the year ended December 2024					
B1	Provision for legal reserve	-	-	11,777	(11,777)	-
B5	Common stock cash dividends	-	-	-	(109,128)	(109,128)
C5	Due to the issuance of convertible bonds, recognized as an EQUITY component item - stock warrants issued.	-	18,941	-	-	18,941
D1	Net income after tax for the year ended December 2025	-	-	-	113,344	113,344
D3	Other comprehensive income (loss) for the year ended December 2025	-	-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	113,344	113,344
M7	Changes in ownership interests in subsidiaries	-	-	-	(1,737)	(1,737)
Z1	Balance at December 31, 2025	\$311,795	\$280,156	\$109,373	\$181,538	\$882,862

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Ming-Yang Wu

Executive officers: Huang Hongjie

Accounting Manager: Chen Yisheng

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Ping Ho Environmental Technology Co., Ltd.
Individual Cash Flow Statement
January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	2025	2024	Code	Item	2025	2024
		Amount	Amount			Amount	Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES			BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
A10000	Profit before tax for the period	\$139,021	\$143,476	B00040	Acquisitions of financial assets at amortized cost	(48,000)	(125,000)
A20000	Adjustments for:			B00060	Redemption of financial assets at amortized costs upon maturity	65,000	160,000
A20010	Revenue and expense items			B00100	Acquisitions of financial instruments at fair value through profit or loss	-	(49,496)
A20100	Depreciation expense	22,020	23,109	B01800	Acquisitions of investments accounted for using equity method	(422,200)	(50,530)
A20400	Net loss on financial assets and liabilities at FVTPL	4,563	7,025	B02700	Acquisitions of property, plant and equipment	(5,374)	(6,786)
A20900	Interest expenses	5,531	21	B06700	Additions to other noncurrent assets.	(4,502)	(7,659)
A21200	Interest revenue	(2,994)	(2,277)	B07600	Dividends received	46,434	32,219
A21300	Dividend income	(525)	(153)	BBBB	Net cash used in investing activities	(368,642)	(47,252)
A21900	Share-based compensation cost	-	3,323				
A22400	Share of profits (losses) of subsidiaries and associates accounted for using the equity method.	(26,164)	(26,063)				
A29900	Others	(13)	(18)	CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
A30000	Changes in operating assets and liabilities:			C00100	Increase in short-term loans	32,000	9,000
A31130	Bills receivable decreased	1,723	244	C00200	Decrease in short-term loans	(32,000)	(9,000)
A31150	Accounts receivable decreased (increased)	14,671	(7,106)	C01200	Proceeds from issuance of bonds	351,750	-
A31160	Accounts receivable - related parties decreased (increased)	3,495	(1,540)	C01600	Proceeds from long-term bank loans	15,000	-
A31190	Other receivables - related parties decreased (increased)	50,000	(50,000)	C01700	Repayment of long-term borrowings	(15,000)	-
A31200	INVENTORIES decreased (increased)	100	(69)	C04500	Cash dividends to shareholders	(109,128)	(116,718)
A31230	Prepayments (increased)	(1,042)	(314)	C04600	Cash capital increase	-	129,781
A31240	Other current assets (Additions)	(6)	-	C05600	Interest paid	(240)	(21)
A32130	Notes payable (decreased)	(307)	(766)	CCCC	Net cash provided by financing activities	242,382	13,042
A32160	Accounts payable - related parties (decreased) increased	(1,813)	236				
A32180	Other payables (decreased)	(9,035)	(140)				
A32190	Other payables - related parties (decreased) increased	(2,024)	1,796				
A32230	Other current liabilities increased (decreased)	32	(443)				
A33000	Cash inflows generated from operations	197,233	90,341				
A33100	Interest received	3,347	1,962	EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	48,543	30,103
A33500	Income tax paid	(25,777)	(27,990)	E00100	Cash and cash equivalents at beginning of the period	144,732	114,629
AAAA	Net cash generated by operating activities	174,803	64,313	E00200	Cash and cash equivalents at the end of the period	\$193,275	\$144,732

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Ming-Yang Wu

Executive officers: Huang Hongjie

Accounting Manager: Chen Yisheng

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd.

For the years ended December 31, 2025 and 2024

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

I. Company History

Ping Ho Environmental Technology Co., Ltd. (the “Company”) was established in August 2006. The Company is primarily engaged in operating the Wastewater Treatment industry. The Company's place of registration and principal place of business is located at No. 6, Bengong Rd., Gangshan Dist., Kaohsiung City.

The Company's stock was listed and traded on the Taiwan Stock Exchange Corporation starting from May 17, 2025.

II. Approval Date and Procedures of the Financial Statements

The Company's Parent Company Only Financial Statements for the years ended December 31, 2025 and 2024 were authorized for issuance by the Board of Directors on March 6, 2026.

III. Application of New, Revised, and Amended Standards and Interpretations

1. Changes in accounting policies resulting from the first-time application of International Financial Reporting Standards

The Company has adopted the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), Financial Reporting Interpretations or Interpretations bulletins that have been endorsed by the Financial Supervisory Commission (“FSC”) and are effective from January 1, 2025. The initial application of the new standards and amendments had no significant impact to the Company.

2. As of the date the financial statements were authorized for issuance, the Company has not yet adopted the following New Standards, Amendments and Interpretations issued by the IASB and endorsed by the FSC:

No.	New/Amended/Revised Standards and Interpretations	The effective date announced by the International Accounting Standards Board
1	IFRS 17 “Insurance Contracts”	January 1, 2023
2	Financial Instruments and Financial Instruments: Disclosures (Amendments to IFRS 9 and IAS 7)	January 1, 2026
3	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

4	Dependent Electricity Contracts (Amendments to IFRS 9 and IAS 7)	January 1, 2026
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(1) IFRS 17 “Insurance Contracts”

This standard provides a comprehensive model to insurance contracts, including all accounting treatment (recognition, measurement, expression, and disclosure principle). The core of the standard is general, and under this model, initial recognition measures the insurance contract group by the combination of the cash flow from performance obligation and contract service margin; the book amount at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, a specific applicable method (Variable Fee Approach, VFA) for contracts with direct participation features as well as a simplified approach for short-term contracts (Premium Allocation Approach, PAA) are provided.

The standard was released in May 2017 and subsequently amended in 2020 and 2021. Except for a 2-year delay in the effective date in the transitional provisions (i.e., from January 1, 2021, to January 1, 2023) and additional exemptions provided, these amendments also led to cost reduction for applying the standard by streamlining some provisions and made some cases easier to interpret by revising some provisions. This standard replaces an interim standard (IFRS 4 “Insurance Contracts”).

(2) Financial Instruments and Financial Instruments: Disclosures (Amendments to IFRS 9 and IAS 7)

This amendment includes:

- (a) A clarification that financial liabilities are to be removed from balance sheet on the settlement date, and the proper accounting treatment for financial liabilities that are settled using electronic payment before the settlement date.
- (b) A clarification on how to assess the cash flow characteristics of financial assets that are linked to environment, social, and governance (ESG) issues or other financial assets of similar contingent characteristics.
- (c) A clarification on accounting treatments for assets with non-recourse features and contractually linked instruments.
- (d) IFRS 7 requires additional disclosures for financial assets or liabilities that carry special conditions or characteristics (including ESG linkage) and equity investments at fair value through other comprehensive income.

(3) Annual Improvements to IFRS Accounting Standards - Volume 11

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

- (a) Amendments to IFRS 1
The main amendment aligns the hedge accounting guidance for first-time adopters of this standard with the requirements of IFRS 9.
- (b) Amendments to IFRS 7
This amendment updates outdated cross-references related to gains or losses on derecognition.
- (c) Amendments to IFRS 7 Implementation Guidance
These amendments improve certain wording in the implementation guidance, including the introduction, disclosures on deferred fair value and trade price differences, and credit risk disclosures.
- (d) Amendments to IFRS 9
This amendment introduces cross-references to address uncertainties related to the derecognition of lease liabilities by lessees, and clarifies the treatment of transaction prices.
- (e) Amendments to IFRS 10
This amendment eliminates the inconsistency between paragraph B74 and B73 of the standard.
- (f) Amendments to IAS 7
This amendment removes the reference to the cost method in paragraph 37 of the standard.

(4) Dependent Electricity Contracts (Amendments to IFRS 9 and IAS 7)

This amendment includes:

- (a) A clarification on applicable regulations of ‘own use.’
- (b) When a contract is used as a hedging instrument, hedge accounting is allowed to be applied.
- (c) The regulations of disclosure in the notes are increased to help investors understand the effects of such contracts on the entity’s financial performance and cash flows.

The above newly issued and amended standards are applicable for accounting periods beginning on or after January 1, 2026. The Company assessed that there is no significant impact.

3. As of the date the financial statements were authorized for issuance, the Company has not adopted the following New Standards, Interpretations and Amendments issued by the IASB, but not yet endorsed by the FSC

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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No.	New/Amended/Revised Standards and Interpretations	The effective date announced by the International Accounting Standards Board
1	Amendments to IFRS 10 Consolidated Financial Statements, and IAS 28 Investments in Associates and Joint Ventures -- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by International Accounting Standards Board
2	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
3	Disclosure initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
4	Exchange to a presentation currency under hyperinflation (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: on September 25, 2025, the Financial Supervisory Commission issued a press release stating that Taiwan will adopt International Financial Reporting Standard 18 in 2028.

- (1) Amendments to IFRS 10 Consolidated Financial Statements, and IAS 28 Investments in Associates and Joint Ventures -- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments addressed the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures,” in dealing with the loss of control of a subsidiary that has contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture shall be offset through downstream sale. IFRS 10 requires full profit or loss recognition other loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets as defined in IFRS 3 shall be recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

- (2) IFRS 18 “Presentation and Disclosure in Financial Statements”

This standard will supersede IAS 1 - “Presentation of Financial Statements” and introduces the following major changes:

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(a) Enhanced comparability of the income statement

Income and expenses in the statement of profit or loss will be classified into five categories—operating, investing, financing, income tax, and discontinued operations. The first three are newly introduced classifications aimed at improving the structure of the statement. All entities will be required to present newly defined subtotals, including operating profit or loss. By enhancing the structure of the income statement and introducing new defined subtotals, investors can have a consistent starting point when analyzing financial performance across entities and make comparisons more easily.

(b) Improved transparency of management performance measures

Entities are required to disclose explanations of company-specific metrics related to the statement of profit or loss, referred to as management performance measures.

(c) Useful aggregation of financial statement information

Guidance is provided on where to present financial information in the primary financial statements or notes, expected to provide more detailed and useful information. Entities are required to provide more transparent information on operating expenses to assist investors in identifying and understanding the information used.

(3) Disclosure initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments provide simplified disclosures for subsidiaries without public accountability, allowing eligible subsidiaries to choose to apply this standard voluntarily.

(4) Exchange to a presentation currency under hyperinflation (Amendments to IAS 21 and IAS 29)

This amendment includes:

- (a) Clarify that when the functional currency of a reporting entity is not under hyperinflation, and it is exchanged to a presentation currency under hyperinflation, its operating results and financial position should be translated at the closing exchange rate at the most recent balance sheet date.
- (b) In the aforementioned situation, when the subsequent presentation currency is no longer under hyperinflation, the reporting entity should not restate the prior period financial statement amounts.
- (c) When both the functional currency and the presentation currency are under hyperinflation, the reporting entity should perform the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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The above standards or interpretations issued by the IASB but not yet endorsed by the FSC will take effect in accordance with the regulations of FSC. Except for the new standards, interpretations and amendments in (2) which the Company is currently assessing the potential impact, and is temporarily unable to reasonably estimate their impact on the Company, the other new standards, interpretations and amendments have no significant impact to the Company.

IV. Summary of Significant Accounting Policies

1. Compliance Statement

The Parent Company Only Financial Statements of the Company for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of Preparation

The Company prepares the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. In accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit or loss and OTHER COMPREHENSIVE INCOME (LOSS) in the Parent Company Only Financial Statements are the same as the allocation of the current profit or loss and OTHER COMPREHENSIVE INCOME (LOSS) attributable to Shareholders of the parent in the consolidated financial statements. Moreover, the EQUITY in the Parent Company Only Financial Statements is the same as the EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT in the consolidated financial statements. Therefore, investments in subsidiaries are expressed as “Investments accounted for using equity method” in the Parent Company Only Financial Statements, with necessary valuation adjustments made.

Except for financial instruments measured at fair value, the individual financial statements are prepared on a historical cost basis. Unless otherwise stated, the financial statements are in thousands of New Taiwan dollars.

3. Classification of current and non-current items

In one of the following situations, it is classified as current assets, and if it is not current assets, it is classified as non-current assets:

- (1) Assets arising from operating activities that are expected to be realized, or are

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

intended to be sold or consumed within the normal operating cycle

- (2) Assets held mainly for trading purposes.
- (3) Assets that are expected to be realized within twelve months after the reporting period.
- (4) Cash or cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the reporting period.

In any of the following situations, it is classified as current liabilities, and if it is not current liabilities, it is classified as non-current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle.
- (2) Liabilities arising mainly from trading activities.
- (3) Liabilities that are to be settled within twelve months from the reporting period.
- (4) At the end of the reporting period, there is no right to defer the settlement of the liability for at least twelve months after the reporting period.

4. Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposits, and short-term and highly liquid time deposits or investments that are readily convertible into fixed cash amount and have a very low risk of changes in value.

5. Financial instruments

Financial Assets and Financial Liabilities are recognized when the Company becomes a party to the contractual terms of the financial instrument.

Financial assets and financial liabilities subject to the provisions of IFRS 9 “Financial Instruments” at the time of original recognition, were measured at fair value. The acquisition or issuance transaction costs that are directly attributable to the financial assets and financial liabilities (except for financial assets and financial liabilities that are classified as measured at fair value through profit or loss) are added or subtracted from the fair value of the financial assets and financial liabilities.

(1) Recognition and measurement of financial assets

The recognition and derecognition of all routine transaction financial assets of the Group accounted for based on the transaction date.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

The Company classifies financial assets into subsequent measurement at amortized cost, at fair value through other comprehensive income, or fair value through profit or loss based on the following two criteria:

- A. Operating model of financial assets management
- B. Contractual cash flow characteristics of financial assets

Financial assets measured at cost after amortization

Financial assets that meet the following two criteria are to be measured at amortized cost and booked in the balance sheet in terms of notes receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

- A. Operating model of financial assets management: financial asset is held to receive contractual cash flows
- B. Contractual cash flow characteristics from the financial assets: cash flow is the interest paid solely on the principal and the outstanding principal.

These financial assets (excluding those involved in hedging relationships) are subsequently measured at amortized cost [the amount measured at initial recognition, less any repayments of principal, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount (using the effective interest method) and adjusted for any provision for bad debts]. For derecognition, the benefits or losses are recognized in profit or loss through amortization procedures or recognition of impairment profit or loss.

Interest that is calculated with the effective interest method (having the effective interest rate multiplied by the total book value of financial assets) or the following conditions is recognized in profit or loss:

- A. For a credit impairment financial asset purchased or originated, have the effective interest rate after credit adjustment multiplied by the amortized cost of financial assets.
- B. Other than those stated in the preceding paragraph, but which subsequently become credit impaired, have the effective interest rate multiplied by the amortized cost of the financial assets.

Financial assets measured at FVOCI

Financial assets that meet the following two criteria are to be measured at fair value through other comprehensive income, and the financial assets measured at fair value through other comprehensive income are to be listed in the balance sheet:

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

- A. Operating model of financial assets management: Collect contractual cash flows and sell financial assets.
- B. Contractual cash flow characteristics from the financial assets: cash flow is the interest paid solely on the principal and the outstanding principal.

The recognition of the profit or loss related to such financial assets is as follows:

- A. Before derecognition or reclassification, except for the impairment profit or loss and foreign currency exchange gains and losses recognized in profit or loss, the profit or loss is recognized in other comprehensive income.
- B. At the time of derecognition, the cumulative profit or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as reclassification adjustment.
- C. Interest that is calculated with the effective interest method (having the effective interest rate multiplied by the total book value of financial assets) or the following conditions is recognized in profit or loss:
 - (a) For a credit impairment financial asset purchased or originated, have the effective interest rate after credit adjustment multiplied by the amortized cost of financial assets.
 - (b) Other than those stated in the preceding paragraph, but which subsequently become credit impaired, have the effective interest rate multiplied by the amortized cost of financial assets.

In addition, for equity instruments applicable to IFRS 9 and are not held as available-for-sale or applicable as a contingent consideration by the acquirer in business consolidation in IFRS 3, during initial recognition, the Company will choose (this is not reversible) to state its subsequent fair value changes in the other comprehensive income (loss). Amounts stated in other comprehensive income cannot be converted to income or loss (during disposal of such equity instrument, the accumulated amount stated in other equity item will be directly transferred to retained earnings), and will be stated in the Balance Sheet as financial assets measured at fair value through other comprehensive income (loss). Investment dividends will be recognized in income or loss, unless such dividends clearly represent a portion of the investment cost.

Financial assets measured at FVTPL

In addition to the aforementioned measurement at cost after amortization for having met certain conditions or measurement at fair value through other comprehensive income (loss), financial assets are all measured at fair value through income or loss, and are stated in the balance sheet as financial assets at fair value through profit or

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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loss.

These financial assets are measured at fair value, and any gain or loss from their revaluation will be recognized as profit or loss. The gain or loss recognized as profit or loss includes any dividend or interest received from the financial asset.

(2) Impairments of financial assets

The Group recognizes and measures the provision for bad debts for Investments in debt instruments designated at fair value through other comprehensive income and Financial assets at amortized cost based on the expected credit loss. For the debt instrument investment measured at fair value through other comprehensive income, allowance for loss is recognized in the other comprehensive income (loss), and the book value of the investment will not be reduced.

The Company measures expected credit loss in the following ways:

- A. An amount that is unbiased and weighted by probability through evaluating each possible outcome
- B. Time value of money
- C. Reasonable and corroborative information (that can be obtained on the balance sheet date without excessive costs or inputs) relating to past events, current conditions, and future economic forecasts

The methods used for measuring allowance for loss are as follows:

- A. It is measured by the 12-month expected credit loss amount: Including the credit risk that has not increased significantly since the original recognition of the financial assets, or it is determined as low credit risk on the balance sheet date. In addition, this also includes those with allowance loss measured by the expected credit loss during the previous reporting period, but no longer meets the condition in which the credit risk has significant increased since the original recognition on the balance sheet date.
- B. The expected credit loss amount for the duration: Including the significant increase in credit risk of the financial assets since the original recognition, or the financial assets with credit impairment purchased or originated.
- C. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, The Company measures provision for bad debts at an amount equal to the expected credit losses over the lifetime.
- D. For lease receivables arising from the transactions within the Scope of Review of IFRS 16, The Company adopts the expected credit losses during the period

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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to measure the provision for bad debts over the lease term.

The Group evaluates whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with that on the date of initial recognition at each balance sheet date. Refer to Note (12) for credit risk-related information.

(3) Derecognition of financial assets

The Company derecognizes its financial assets when any of the following conditions are met:

- A. The contractual right from the cash flow of the financial asset is terminated.
- B. When nearly all risk and compensations associated with ownership of a financial asset has been transferred.
- C. Nearly all risk and compensations associated with ownership of an asset has neither been transferred nor retained, but the control of the asset has been transferred.

When a financial asset is derecognized in its entirety, the difference between its carrying amount and any cumulative gain or loss that has been received or is receivable and recognized in other comprehensive income (loss), will be recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liability or equity

The Group classifies the instruments of liabilities and equity issued in accordance with the substance of the contract agreement and the definitions of financial liabilities and equity instruments as financial liabilities or equity.

Equity instruments

Equity instruments are any contracts that acknowledge the Company's remaining equity after deducting all liabilities from assets. Equity instruments issued by the Company are recognized at the amount of the consideration received less the direct issue costs.

Financial liabilities

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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Financial liabilities subject to the provisions of IFRS 9 are classified, at the original recognition, as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost.

Financial liabilities measured at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

A financial asset will be classified as available-for-sale when it meets one of the following conditions:

- A. The primary purpose for acquisition of the asset is short-term sales;
- B. It is part of an identifiable financial instrument combination of the consolidated management at the time of initial recognition, and there is evidence that the combination is a short-term profit operating model in the near future; or
- C. It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

For contracts that include one or multiple embedded derivative instruments, the entire hybrid (integrated) contract could be designated as a financial instrument at fair value through profit or loss. In addition, when it meets one the following conditions and can provide more relevant information, it could be designated as at fair value through profit or loss during initial recognition:

- A. The designation can eliminate or significantly reduce the inconsistency of measurement or recognition; or
- B. The performance of a group of financial liabilities or a group of financial assets and financial liabilities is managed and assessed on a fair value basis according to the written risk management or investment strategies; also, the portfolio information provided to the management within the consolidated company is also based on the fair value.

The benefits or losses arising from the re-measurement of such financial liabilities are recognized in profit or loss. The gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Financial liabilities measured at the amortized cost

Financial liabilities measured at amortized cost include payables and borrowings, etc., which are subsequently measured using the effective interest method after initial recognition. When financial liabilities are derecognized and amortized through the

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effective interest method, the related gains or losses and amortization amount are recognized in the profit or loss.

Calculation of the amortized cost will take discount or premium during acquisition and transaction cost into consideration.

Derecognition of financial liabilities

When the obligation of a financial liability is terminated, canceled or no longer effective, the financial liability will be derecognized.

When the Company exchanges debt instruments with a creditor and those debt instruments contain substantially different terms or it makes significant modifications to the terms of existing financial liabilities (whether or not due to financial difficulties), the Company derecognizes the original liabilities and recognizes new liabilities. The difference between the carrying amount of the derecognized financial liabilities and the total consideration paid or to be paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offset of financial assets and liabilities

Financial assets and financial liabilities can only be offset and presented in net terms on the balance sheet only when the recognized amounts currently contain exercise of legal rights for offset and are intended to be settled on a net basis or can be realized simultaneously and the debt can be settled.

6. Fair value measurement

Fair value refers to the price required or transferred to an asset in an orderly transaction between market participants on a measurement date. Fair value measurement assumes that the transaction for the asset being sold or liability being transferred takes place in one of the following markets:

- (1) Principal market of the asset or liability, or
- (2) If no principal market exists, the most favorable market for the asset or liability

The Group needs to be able to enter the principal or most favorable market in order to carry out the transaction.

Fair value measurement of the asset or liability uses the assumption that market participants would adopt while pricing the asset or liability, where the assumption is that

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the market participants would take the most favorable economic conditions into consideration.

The fair value measurement of a non-financial asset takes into consideration the market participant's use of the asset for its highest price and best use or by selling the asset to another market participant who will use the asset for its highest price and best use to generate economic benefits.

The Company adopts suitable Valuation Techniques under relevant circumstances with sufficient data available to measure Fair Value, maximizing the use of relevant observable Inputs and minimizing the use of unobservable Inputs.

7. Inventory

Inventory is measured at the lower of cost and net realizable value on an item-by-item basis.

The cost refers to the cost incurred to make the inventory available for sale or production, and for the cost incurred to bring the real estate to a saleable state and location:

Raw materials using the weighted average method for its actual purchase cost.

Finished goods, commodities, and semi-finished products - include direct raw materials, labor and fixed manufacturing costs allocated based on normal capacity, but not include borrowing costs.

Net realizable value refers to the estimated selling price in the ordinary course of business, less the costs still to be incurred to complete and selling expenses.

Treatment for provision of labor services related to IFRS 15, and does not fall within the Scope of Review for Inventory.

8. Investments accounted for using equity method

Apart from being classified as Noncurrent assets held for sale, the Company accounts for subsidiaries using the equity method.

Investment in subsidiaries

A subsidiary refers to an entity over which the Company has control.

Under the equity method, investments in subsidiaries are initially recognized at cost and

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)

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their carrying amount is subsequently adjusted for the Company's recognized share of the subsidiary's profits and losses and other comprehensive income. The Company's share of the Subsidiary's profits and losses and other comprehensive income is recognized in the Company's profit or loss and other comprehensive income. Receiving profit distributions from a subsidiary reduces the carrying amount.

Unrealized profits and losses from downstream transactions between the Company and its Subsidiary are eliminated in the Parent Company Only Financial Statements. Profits and losses from upstream and side-stream transactions between the Company and the Subsidiary are recognized in the Parent Company Only Financial Statements only to the extent that they are unrelated to the Company's equity in the Subsidiary.

The financial statements of the Subsidiary are prepared for the same reporting period as the Company and are adjusted when necessary to conform to the accounting policies of the Company.

When changes in equity of a Subsidiary are not due to profit or loss and other comprehensive income items and do not affect the Company's Ownership Percentage, the Company recognizes changes in ownership equity in proportion to its shareholding. When changes in the Company's ownership interests in a subsidiary do not lead to a loss of control, they are treated as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in EQUITY.

If the Company loses control over subsidiary, then the equity method is discontinued. The retained portion of investment is measured at fair value and recognized, and the difference between the carrying amount of the investment in subsidiaries and the fair value of any retained investment plus the proceeds from disposal is recognized as a gain or loss. When a subsidiary under investment is converted into a joint venture, or a joint venture is converted into a subsidiary, the Company continues to account for it using the equity method without re-measuring the previously held equity.

The Company determines whether there is objective evidence of impairment for its investments in subsidiary at the end of each reporting period. The difference between the recoverable amount and the carrying value of a Subsidiary is recognized as an Impairment loss, included in the statement of comprehensive income, and the carrying amount is adjusted.

The Company's investments in subsidiaries are expressed as "Investments accounted for using equity method" in accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, with necessary valuation

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adjustments made. This is to ensure that the current profit or loss and OTHER COMPREHENSIVE INCOME (LOSS) in the Parent Company Only Financial Statements are the same as the allocation of the current profit or loss and OTHER COMPREHENSIVE INCOME (LOSS) attributable to Shareholders of the parent in the consolidated financial statements. Moreover, the EQUITY in the Parent Company Only Financial Statements is the same as the EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT in the consolidated financial statements. These adjustments primarily consider the treatment of investment in subsidiaries in consolidated financial statements in accordance with IFRS 10 “Consolidated Financial Statements” and the differences in the application of International Financial Reporting Standards at different levels of reporting entities. They involve debiting or crediting items such as “Investments accounted for using the equity method,” “Share of profits of subsidiaries, associates, and joint ventures accounted for using the equity method,” or “Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method.”

Apart from being classified as Assets held for sale, the Group's investment in associates is adopted equity method. An associate refers to an entity over which the Company has significant influence. Joint ventures refer to an entity over whose net assets the Company has rights under joint arrangements (joint control).

Under the equity method, the accounting for investments in associates or joint ventures in the balance sheet is the purchase cost plus the amount recognized by the Company for changes in the net assets of such associate or joint ventures, calculated on the proportionate shares. After the carrying amount and other related long-term equity interests in associate or joint venture have been reduced to zero using the equity method, additional losses and liabilities are recognized within the scope of statutory obligations, implicit obligations, or payments made on behalf of associates. Unrealized gains or losses generated from transactions between the Company and associate or joint venture are eliminated in proportion to its equity interests in the associate or joint venture.

When changes in equity of associate or joint venture are not due to profit or loss and other comprehensive income items and do not affect the Group's percentage of ownership, the Group recognizes changes in ownership equity in proportion to its shareholding. Therefore, the recognized Capital surplus is reclassified into profit or loss based on the disposal proportion when disposing of associate or joint venture.

When an associate or joint venture issues new shares and The Company does not subscribe according to the ownership percentage, causing changes in the investment ratio, resulting in an increase or decrease in The Company's share of the net assets of the associate or joint venture, “Capital surplus” and “Investments accounted for using equity method” are used to adjust the increase or decrease. When the proportion of investments decreases, the

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)

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related items previously recognized in Other Comprehensive Income are reclassified to profit or loss or other appropriate accounts according on the reduction ratio. The aforementioned Capital surplus is transferred to profit or loss proportionately when the associate or joint venture is subsequently disposed of.

The financial statements of associate or joint venture are prepared for the same reporting period as the Company and are adjusted to conform to the accounting policies of the Company.

The Company determines whether there is objective evidence of impairment for its investments in associate or joint venture according to IAS 28 'Investments in Associates and Joint Ventures' at the end of each reporting period. If there is any objective evidence of impairment, the Company will calculate the impairment amount by the difference between the recoverable amount and the carrying amount (in thousands) of the associate or joint venture according to IAS 36 'Impairment of Assets', and recognize the amount in the income or loss from the associate or joint venture. The aforementioned recoverable amount, if using value-in-use of the investment, the Company determines the relevant value-in-use based on the following estimates:

- (1) The Company's share of the present value of the estimated future cash flows generated by associate or joint venture, including cash flows from operations of associate or joint venture and the proceeds from the final disposal of such investments; or
- (2) The Group expects to receive dividends from the investment and the present value of the expected future cash flows generated by the eventual disposal of the investment.

Since the Goodwill that forms part of the Carrying Amount of Investments in an associate or joint venture is not separately recognized, it is not necessary to apply the provisions of Impairment of Assets under the IAS 36 for the impairment testing of Goodwill.

When the Company loses significant influence over an associate or joint control over a joint venture, the retained investment is measured at fair value and recognized. When significant influence or joint control is lost, the difference between the carrying amount of the investment in associate or joint venture and the fair value of any retained investment plus the proceeds from disposition is recognized as a gain or loss. In addition, when the investment in an associate becomes an investment in a joint venture, or when an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without re-measuring the retained equity.

9. Property, Plant and Equipment

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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Property, plant and equipment are recognized at acquisition cost, less accumulated depreciation and accumulated impairment. The aforementioned cost includes the cost of dismantling, removing and restoring the site of the property, plant and equipment, and the necessary interest expense generated by the under construction. Each part of an item of equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately. When significant components of property, plant and equipment need to be periodically replaced, The Company regards these components as individual assets and recognizes them separately with specific useful life and depreciation methods. The book value of these replaced parts is derecognized in accordance with the provision of IAS 16 “Property, Plant, and Equipment.” If the major repair and maintenance costs are in compliance with the recognition conditions, they are recognized as replacement costs and are recognized as part of the plant and equipment book value. Other repair and maintenance expenses are recognized in profit or loss.

Depreciation is calculated and appropriated in accordance with the straight-line method and the estimated useful life of the following assets:

Buildings and structures	3 to 50 years
Machinery and equipment	3 to 20 years
Office equipment	5 years
Other equipment	3 to 25 years

Items or any significant component of the property, plant and equipment are derecognized and recognized as profit or loss if they are disposed of or if it is expected that no future economic benefits will flow to the entity from their use or disposal after initial recognition.

The residual value, useful life, and depreciation method of property, plant, and equipment are evaluated at the end of each financial year. If the expected value is different from the previous estimate, the change is considered as accounting estimates.

10. Leases

The Company evaluates whether the contract as a lease on the contract establishment date. If a contract is signed to have the control over the use of identified assets transferred for a period of time in exchange for a consideration, it is (or includes) a lease. To assess whether a contract transfers control of the identified assets for a period of time, the Company evaluates whether it has the following two throughout the usage:

- (1) The user is able to obtain virtually all economic benefits and entitlements from using the identified asset; and

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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- (2) The user has the right to determine how identified asset is used.

For contracts that are (or contain) leases, the Group treats each lease component in the contract as a separate lease and deals with the non-lease components in the contract separately. For contracts that include a lease component and one or more additional lease or non-lease components, The Company allocates the consideration in the contract to each lease component based on the relative standalone price and the aggregate standalone price of the non-lease components. The comparison single unit price of the lease and non-lease components will be decided upon the prices separately received by the lessor (or supplier) for such components. If observable individual prices are not always available, The Company maximizes the use of observable information to estimate such individual prices.

The Company as lessee

Except for leases that qualify and are selected as short-term leases or leases of low-value assets, when The Company as a lessee in a lease agreement, right-of-use assets and lease liabilities are recognized for all leases.

The Group measures the lease liabilities at the present value of the lease payments that are not paid at commencement date. If the lease implied interest rate is easy to determine, the lease payment is discounted according to the said implied interest rate. If the lease implied interest rate is not easy to determine, the incremental loan rate of the lessee shall prevail. On the commencement date, the lease payments included in the lease liability include the following payments relating to the use-of-rights underlying asset in the lease term that is yet to be paid on that date:

- (1) Fixed payments (including real fixed payments) net of any collectable lease incentives;
- (2) Lease payments depending on the change in an index or expense rate (measured at the index or expense rate on the commencement date);
- (3) The lessee's expected payment amount with the residual value guaranteed;
- (4) The exercise price of the buy options, if The Company can reasonably determine that the option will be exercised; and
- (5) Penalties that have to be paid upon termination of lease, if the lease tenor reflects the lessee's intent to exercise the termination option.

After the commencement date, the Company measures lease liabilities at amortized cost basis, increases the carrying amount of lease liabilities using the effective interest rate method to reflect the interest of lease liabilities; payments of lease payments decrease the carrying amount of lease liabilities.

The Company measures Right-of-use assets on a cost basis at the commencement date.

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The cost of the Right-of-use assets includes:

- (1) Initial measured amount of lease liability;
- (2) Any lease payments paid on or before the commencement date, minus any lease incentives received;
- (3) Any original direct costs incurred to the lessee; and
- (4) The estimated cost for the lessee to have the underlying asset dismantled or removed and restore its location, or have the underlying asset restored to the form as stipulated in the clause and condition.

Subsequent measurement of the right-of-use asset is presented at cost net of the accumulated depreciation and accumulated impairment losses, that is, the right-of-use asset should be measured at cost.

If the ownership of the underlying assets is transferred to the Group at the end of the lease term, or if the cost of right-of-use assets reflects the Group's intention to exercise the purchase option, depreciation is provided for the right-of-use assets from the commencement date to the end of the useful life of the underlying assets. Otherwise, the Company provides depreciation for the right-of-use assets from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether right-of-use assets have been impaired and to address any identified impairment loss.

Except for short-term leases or leases of low-value target assets, the Company reports right-of-use assets and lease liabilities on the Balance Sheet and reports related depreciation and interest expenses in the Statements of Comprehensive Income.

The Company elected to recognize lease payments related to short-term leases and leases of low-value assets on a straight-line basis or another systematic basis as an expense over the lease term.

The Group as lessor.

The Company classifies each lease as an operating lease or a finance lease on the contract establishment date. A lease transfers substantially all the risks and rewards incidental to ownership of an asset, it is classified as a finance lease; if not transferred, it is classified as an operating lease. At the commencement date, The Company recognizes the assets held under finance lease in the balance sheet, and records as finance lease receivable based on the net amount of lease.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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For contracts that contain both lease and non-lease components, the Group applies the provision of IFRS 15 to allocate the transaction price in the contract.

The Company recognizes lease payments from operating leases as rental income on a straight-line method or another systematic mode. The rental payments from operating leases that are not dependent on changes in an index or rate are recognized as rental income when they occur.

11. Intangible Assets

Intangible assets acquired separately are initially measured at cost upon original recognition. The cost of intangible assets acquired through business combinations is the fair value on the acquisition date. Intangible assets, after initial recognition, are measured at their cost less accumulated amortizations and accumulated impairment losses as the carrying amount. Intangible assets internally generated that do not meet the capitalization criteria are recognized in profit or loss.

The useful life of intangible assets are classified into limited and unlimited useful life.

Intangible assets with limited useful life are amortized over their useful life and conduct impairment test whenever there are indications of impairment. The amortization period and methods for intangible assets with limited useful life are reviewed at least at each financial year. If the estimated useful life of an asset is different from the previous estimate or the expected pattern of consumption of future economic benefits has changed, the method of amortization or the period of amortization will be adjusted and treated as a change in accounting estimate.

Intangible assets with unlimited useful life are not amortized, but impairment tests are carried out at the individual asset or cash-generating unit level each financial year. Intangible assets with unlimited useful life are reviewed each period to determine whether events and circumstances continue to support an unlimited useful life for that asset. If the useful life changes from unlimited to limited, the application is deferred.

The gains or losses generated from the derecognition of intangible assets are recognized in profit or loss.

Summary of the accounting policy for intangible assets of the company is as follows:

	Computer software
Service Life	Limited (5 years)
Method of Amortizations used	Amortization is estimated through the straight-

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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Internally generated or externally acquired line method over the useful life.
External acquisition

12. Impairment of Non-financial Assets

The Group evaluates whether there are any indications of impairment for all assets applicable to IAS 36 “Impairment of Assets” at the end of each reporting period. If there are indications of impairment or if an asset needs to be tested for impairment annually, the Group will test individually for each asset or the cash-generating unit to which the asset belongs. If result of the impairment test indicates that the carrying amount of the asset or the cash generating unit to which the asset belongs is greater than its recoverable amount, impairment loss will be recognized. The recoverable amount is the higher of the net fair value or the value-in-use.

The Group assesses whether there is any indication that an impairment loss previously recognized for an asset other than goodwill may no longer exist or may have decreased at the end of each reporting period. If such indications exist, the Company estimates the recoverable amount of the asset or the cash-generating unit. If the estimated service potential of the asset changes, resulting in an increase in the recoverable amount, the impairment will be reversed to profit or loss. However, the carrying amount after reversal shall not exceed the amount of the depreciation or amortization of the asset after deducting the depreciation or amortization.

Impairment loss and reversal of continuing operations will be recognized in profit or loss.

13. Recognition of revenue

The main revenue of the Company from contracts with customers includes sales of goods and rendering of services, the accounting treatments of which are described as follows:

Sales of Goods

The Company manufactures and sells goods, recognizing revenue when the committed goods are delivered to the customer and the customer gains control (i.e., the customer dominates the use and obtains the ability of almost all remaining benefits of the goods), mainly chemicals being sold, with revenue recognized based on the price stated in the contract.

The credit period for the Company's sales transactions is typically between 30 - 90 days. Most contracts recognize accounts receivable when the control of goods is transferred and

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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the right to receive consideration unconditionally is obtained. These accounts receivable are typically short-term and do not have significant financial composition. The provision for bad debts is measured based on the expected credit loss over the life of the asset under IFRS 9.

Rendering of services

The Company's service revenue is primarily derived from providing wastewater treatment services and transportation. According to the contract, the Company charges a processing fee on a monthly basis. The revenue is recognized when the performance obligation is fulfilled, and the wastewater is discharged in compliance with the standards.

14. Borrowing costs

The borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses during the period in which its occur. Borrowing costs include interest and other costs associated with raising finance.

15. Retirement benefits plan

The Company and domestic subsidiaries' pension schemes apply to all formally hired employees. The entire amount of employee pension funds is deposited in accounts managed by the Supervisory Committee of Business Entities' Labor Retirement Reserve. As the pension funds is completely separated from the Company and domestic subsidiaries. Therefore, it is not included in the aforementioned consolidated financial statements.

For post-employment benefit plans that are defined contribution plans, the Company is required to make pension contributions at a rate not less than 6% of the employees' monthly salaries, and the amounts contributed are recognized as expenses.

16. Share-based payment transaction

The costs of share-based payment transactions with employees, where the settlement is in equity instruments, are measured at the fair value of the equity instruments on the grant date. Fair value is measured by the appropriate pricing model.

The "share-based payment" transaction cost for the equity clearing is recognized on a period-by-period basis during the period in which the service conditions and performance

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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conditions are fulfilled, and the increase in equity is recognized. The cumulative expense recognized for equity-settled transactions at each reporting period-end reflects the progress of the vesting period and the company's best estimate of the number of equity instruments that will ultimately vest. The cumulative cost changes recognized for the share-based payment transactions at the beginning and end of each reporting period are recognized in profit or loss for the period.

If the share-based payment is not in compliance with the vested conditions, no expense will be recognized. However, if the vested conditions of the equity clearing transaction are related to the market price condition or the non-vested conditions, when all the service or performance conditions have been fulfilled, the relevant expenses will be recognized regardless of whether the market price condition or the non-vested condition is fulfilled.

When modifying the terms of an equity-settled transaction, at least the original grant-date cost before the modification will be recognized. If the modification of the terms of a share-based payment transaction increases the total fair value of the transaction or is beneficial to the employee, additional equity-settled transaction costs will be recognized.

If an equity-settled share-based payment reward plan is canceled, it is considered fully vested on the cancellation date, and any unrecognized remaining share-based payment expenses will be immediately recognized. This includes awards where non-vesting conditions, which are controllable by the company or employee, have not been met. If a previously canceled reward is replaced by a new reward plan and is confirmed on the grant date to replace the canceled reward plan, the cancellation and the new reward plan will be treated as a modification of the original reward plan.

17. Income tax

Income tax expense (profit) refers to the aggregated amount of current income tax and deferred income tax that is included in the current profit or loss.

Current income tax

The current income tax liabilities (assets) related to the current and prior periods are measured at the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The current income tax related to the items recognized in other comprehensive income or directly recognized in the equity is recognized in other comprehensive income or equity instead of being recognized in the profit or loss.

The additional business income tax levied on the undistributed earnings is recognized as

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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income tax expense on the date when the distribution of earnings is resolved in the Shareholders' Meeting.

Deferred income tax

The deferred income tax is calculated according to the temporary difference between the taxable amount of assets and liabilities and the book value on the balance sheet at the end of the reporting period.

All taxable temporary differences are recognized as deferred income tax liabilities except for the following two items:

- (1) The initial recognition of Goodwill; or assets or liabilities generated from transactions other than business combinations do not affect accounting profit or taxable income (loss) at the time of the transaction, nor generate equal taxable and deductible temporary differences at the time of the transaction.
- (2) The taxable temporary difference arising from the investment in subsidiaries, associates, and joint equity. Also, the timing of reversal is controllable, and it is not likely to be reversed in the foreseeable future.

Except for the following two items, deductible temporary difference and deferred income tax assets arising from the taxable losses and income tax credit are recognized within the range of probable future taxable income:

- (1) Regarding the deductible temporary difference arising from the initial recognition of assets or liabilities from transactions that are not a business combination, it neither affects accounting profit nor taxable income (loss) at the time of transaction, and there are no equal taxable and deductible temporary differences generated at the time of the transaction.
- (2) Deductible temporary difference arising from investment in subsidiaries, associates, and joint equity, which is recognized only to the extent that the difference is very likely to be reversed in the foreseeable future and that sufficient taxable income can be earned to realize the temporary difference.

Deferred income tax assets and liabilities are measured at the tax rate of the expected asset realization or in the period in which the liability is settled. The tax rate is based on the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences arising from the manner in which the asset is expected to be recovered or the book value of the liability is settled at the end of the reporting period. If the deferred income tax is related to items that are not included in the profit or loss, it will not be

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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recognized in profit or loss, but recognized in other comprehensive income according to the relevant transactions or directly recognized in equity. Deferred income tax assets are re-examined and recognized at the end of each reporting period.

Deferred income tax assets and liabilities can be offset against each other legally only in the current period, and the deferred income tax is related to the same taxation entity and is related to the income tax levied by the same taxation authority.

According to the provisions of temporary exception stated in the “International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)”, deferred tax assets and liabilities related to Pillar Two income taxes shall not be recognized, and relevant information shall not be disclosed.

V. Main Source of Significant Accounting Judgment, Estimation, and Assumption Uncertainties

When preparing the individual financial statements, the management must make judgments, estimates, and assumptions at the end of the reporting period, which will affect the reported amount of revenues, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities. However, the uncertainty of these significant assumptions and estimates may result in a significant adjustment to the book value of an asset or liability in the future period.

Estimation and assumption

The main source of information on the estimation and assumption uncertainties at the end of the reporting period has significant risks that result in significant adjustments to the book value of assets and liabilities in the next financial year. The explanations are given as follows:

(1) Fair value of financial instruments

When the fair value of financial assets and liabilities recognized on the balance sheet cannot be obtained from active markets, the fair value will be determined using valuation techniques, including income approach (such as cash flow discounting model) or market approach. Changes in the assumptions used in these models will affect the reported fair value of financial instruments. Refer to Note (12).

(2) Income tax

The uncertainty of income tax exists in the interpretation of complex tax regulations and the amount and timing of future taxable income. Due to a wide range of international business relationships and the long-term and complexity of contracts, the differences between actual results and assumptions made, or changes in such assumptions in the future,

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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may cause the booked income tax benefits and expenses to be adjusted in the future. The provision for income tax is based on reasonable estimates made according to the possible audit results of the tax authorities in the countries where the Company operates. The amount appropriated is based on different factors, such as: previous tax audit experience and the difference in tax law interpretation between the tax entity and the tax authority. The differences in the explanation may generate various issues due to the circumstances of the individual locations of the company's businesses.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available in the future, or that there are taxable temporary differences within the scope of origination and reversal of temporary differences. The amount of the deferred income tax assets to be recognized is estimated according to the possible timing and level of the future taxable income and taxable temporary difference, and also, the future tax planning strategy.

(3) Accounts Receivable - estimation of provision for bad debts

The Group estimates provision for bad debts for accounts receivables using the expected credit loss over the lifetime, which is measured as the present value of the difference between the contractual cash flows receivable under the contract (carrying amount) and the cash flows expected to be received (with the evaluation of forward-looking information). However, the discounting effect of short-term receivables is not significant, and the credit loss is measured by the undiscounted difference. If actual cash flows in the future are less than expected, significant provision for bad debts may arise. Refer to Note 6.

VI. Descriptions of Material Accounting Items

1. Cash and cash equivalents

	2025.12.31	2024.12.31
Cash on hand	\$60	\$60
Demand deposits	193,215	144,672
Total	<u>\$193,275</u>	<u>\$144,732</u>

2. Financial assets measured at FVTPL

	2025.12.31	2024.12.31
Mandatory fair value through profit or loss - current:		
TWSE/TPEX-listed Stock	<u>\$38,643</u>	<u>\$42,471</u>

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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The Company's financial assets measured at fair value through profit or loss do not have any collateral provided.

3. Current financial assets at amortized cost

	2025.12.31	2024.12.31
Time deposits	\$8,000	\$25,000

The Company classifies some of the Financial Assets as Financial assets at amortized cost, and there is no provision of guarantees. For information related to Credit risk, Refer to Note (12).

4. Bills receivable

	2025.12.31	2024.12.31
Bills receivable - due to operations	\$19,008	\$20,731
Less: loss allowance	(-)	(-)
Total	\$19,008	\$20,731

The Group's bills receivable were not provided as collaterals.

The Company evaluates impairments in accordance with IFRS 9, and for related information on provision for bad debts, refer to Note (6).16. For information related to credit risk, refer to Note (12).

5. Accounts receivable and Accounts receivable - related parties

	2025.12.31	2024.12.31
Accounts Receivable	\$65,862	\$80,533
Less: loss allowance	(745)	(745)
Subtotal	65,117	79,788
Accounts receivable - related parties	1,504	4,999
Less: loss allowance	(-)	(-)
Subtotal	1,504	4,999
Total	\$66,621	\$84,787

The Group's accounts receivable were not provided as collateral.

The credit period for the Company's customers is usually 30 to 90 days. The carrying

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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amounts as at December 31, 2025 and 2024 were NT\$67,366 thousand and NT\$85,532 thousand respectively. For information related to the provision for bad debts of year 2025 and 2024, refer to Note (6).16. For credit risk related information, refer to Note (12).

6. Inventory

	2025.12.31	2024.12.31
Raw materials	\$1,341	\$1,399
Semi-finished goods	25	54
Total	<u>\$1,366</u>	<u>\$1,453</u>

The operating costs recognized as expenses by the Company for the year ended December 2025 and 2024 were NT\$322,088 thousand and NT\$337,546 thousand, respectively, including the recognition of loss for market price decline and slow-moving inventories of NT\$(13) thousand and NT\$(18) thousand, respectively. Due to the impact of market price fluctuations on raw material prices, inventory impairment (reversal of impairment loss) has occurred.

The aforementioned inventory were not pledged as collateral.

7. Investments accounted for using equity method

Investee Company Name	2025.12.31		2024.12.31	
	Amount	Ownership Percentage	Amount	Ownership Percentage
Investment in subsidiaries:				
Ping Ho Materials Technology Co., Ltd.	\$544,024	98.33%	\$148,970	94.81%
Ching Jin Industrial Co., Ltd.	48,176	100.00%	50,664	100.00%
Wan Jing Industrial Co., Ltd.	16,905	100.00%	14,940	100.00%
Feng Jia Industrial Co., Ltd.	112,049	100.00%	107,945	100.00%
Subtotal	<u>721,154</u>		<u>322,519</u>	
Investment in associates:				
Greenstone Applied Materials Co., Ltd.	2,083	20.00%	-	-
Subtotal	<u>2,083</u>		<u>-</u>	
Total	<u>\$723,237</u>		<u>\$322,519</u>	

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

- (1) The Company made its original investment in Ping Ho Materials Technology Co., Ltd. on November 4, 2016. The main businesses and products include basic chemical industry, manufacturing of industrial additives, and Wastewater Treatment.
- (2) The Company organized a restructuring in December 2018 and issued new shares to acquire Ching Jin Industrial Co., Ltd., Wan Jing Industrial Co., Ltd., and Feng Jia Industrial Co., Ltd. Ching Jin Industrial Co., Ltd.'s main business is Waste Transportation Industry, Wan Jing Industrial Co., Ltd.'s main businesses are Waste Transportation Industry, and Feng Jia Industrial Co., Ltd.'s main business is Manufacture and wholesale of chemical raw materials.
- (3) The Company made its original investment in Greenstone Applied Materials Co., Ltd. on March 27, 2025. The main businesses and products include basic chemical industry and manufacturing of industrial additives.
- (4) Investments in subsidiaries and associates are expressed as “Investments accounted for using equity method” in the Parent Company Only Financial Statements, with necessary valuation adjustments made.
- (5) The aforementioned investments accounted for using equity method were not pledged as collateral.
- (6) Share of profits (losses) of subsidiaries and associates accounted for using the equity method for the years ended December 31, 2025 and 2024 are as follows:

Investee Company Name	2025	2024
Ping Ho Materials Technology Co., Ltd.	(\$23,208)	(\$24,948)
Ching Jin Industrial Co., Ltd.	15,562	20,055
Wan Jing Industrial Co., Ltd.	5,236	3,636
Feng Jia Industrial Co., Ltd.	28,691	27,320
Greenstone Applied Materials Co., Ltd.	(117)	-
Total	<u>\$26,164</u>	<u>\$26,063</u>

8. Property Plant and Equipment

	2025.12.31	2024.12.31
Property, plant and equipment for own use	<u>\$239,525</u>	<u>\$255,984</u>

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
Cost:						
2024.1.1	\$121,271	\$53,297	\$208,466	\$-	\$28,235	\$411,269
Addition	-	-	1,517	791	4,478	6,786
Disposal	-	-	-	-	(2,833)	(2,833)
Other changes	-	-	435	-	1,880	2,315
2024.12.31	121,271	53,297	210,418	791	31,760	417,537
Addition	-	-	726	320	4,328	5,374
Disposal	-	(2,216)	(5,433)	-	(2,024)	(9,673)
Other changes	-	-	-	-	187	187
2025.12.31	<u>\$121,271</u>	<u>\$51,081</u>	<u>\$205,711</u>	<u>\$1,111</u>	<u>\$34,251</u>	<u>\$413,425</u>
Depreciation and impairment:						
2024.1.1	\$-	\$18,164	\$108,777	\$-	\$14,336	\$141,277
Depreciation	-	2,021	16,966	101	4,021	23,109
Disposal	-	-	-	-	(2,833)	(2,833)
2024.12.31	-	20,185	125,743	101	15,524	161,553
Depreciation	-	1,589	15,902	174	4,355	22,020
Disposal	-	(2,216)	(5,433)	-	(2,024)	(9,673)
2025.12.31	<u>\$-</u>	<u>\$19,558</u>	<u>\$136,212</u>	<u>\$275</u>	<u>\$17,855</u>	<u>\$173,900</u>
Net book value:						
2025.12.31	<u>\$121,271</u>	<u>\$31,523</u>	<u>\$69,499</u>	<u>\$836</u>	<u>\$16,396</u>	<u>\$239,525</u>
2024.12.31	<u>\$121,271</u>	<u>\$33,112</u>	<u>\$84,675</u>	<u>\$690</u>	<u>\$16,236</u>	<u>\$255,984</u>

Refer to Note (8) for property, plant and equipment provided as collateral.

9. Other noncurrent assets

	2025.12.31	2024.12.31
Prepayments for equipment	\$6,781	\$3,191
Refundable deposits	16,541	17,316
Total	<u>\$23,322</u>	<u>\$20,507</u>

10. Financial liabilities measured at FVTPL

	2025.12.31	2024.12.31
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Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Held for trading - current:

Derivatives not designated as hedging relationships

Conversion options	\$2,415	\$-
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11. Bonds payable

	2025.12.31	2024.12.31
Bonds payable - domestic secured convertible bonds	\$330,797	\$-
Less: due within one year portion	-	-
Net	\$330,797	\$-

Bonds payable - domestic secured convertible bonds

	2025.12.31	2024.12.31
Liability elements:		
Face value of bonds payable - domestic secured convertible bonds	\$350,000	\$-
Discount on bonds payable - domestic secured convertible bonds	(19,203)	-
Subtotal	330,797	-
Less: due within one year portion	-	-
Net	\$330,797	\$-
Embedded derivative financial instruments	\$2,415	\$-
EQUITY elements	\$18,941	\$-

On May 8, 2025, the Company issued domestic secured convertible bonds with a coupon rate of 0%. The convertible bonds, analyzed according to contract terms, comprise the following components: principal debt, embedded derivative financial instruments (issuer's call option and holder's put option), and equity elements (holder's option to convert into the issuer's ordinary shares). The major issuance terms are as follows:

Total Amount: NT\$350,000 (In Thousands of New Taiwan Dollars)

Issuance Period: May 8, 2025 to May 8, 2028

Important redemption terms:

A. From the day following three months after the issuance date (August 9, 2025) until

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

forty days before the end of the Issuance Period (March 29, 2028), if the closing price of the Company's Ordinary Shares exceeds the convertible bonds' conversion price by 30% or more for thirty consecutive trading days, the Company may notify within the subsequent thirty trading days to redeem the outstanding convertible bonds at face value in cash.

- B. From the day following three months after the issuance date (August 9, 2025) until forty days before the maturity date (March 29, 2028), if the amount of the outstanding corporate bonds falls below 10% of the original total amount, the Company may redeem all of the corporate bonds at the early redemption price.
- C. On May 8, 2027, bondholders may request the Company to redeem all or part of the corporate bonds they hold at 101.0025% of the face value of the bonds.

Conversion Method:

- A. Conversion target: The Company's Ordinary Share.
- B. Conversion Period: Bondholders may request conversion into the Company's Ordinary Shares from August 9, 2025, to May 8, 2028, in lieu of cash repayment by the Company.
- C. Conversion Price and Adjustment: The conversion price is set at NT\$55.00 per share at issuance. In the event of adjustments to the conversion price due to factors affecting the Company's ordinary shares, as stipulated in the issuance terms, the conversion price will be adjusted according to the formula specified in the issuance terms. The conversion price on December 31, 2025, is NT\$51.66 per share. As of December 31, 2024, due to the non-issuance of convertible bonds, there is no conversion price.
- D. Redemption at maturity: If the corporate bonds remain unsettled at maturity, they will be redeemed at face value.

Furthermore, there was no conversion of corporate bonds as of December 31, 2025, and 2024.

12. Retirement benefits plan

Defined contribution pension plan

The Company has established employee retirement schemes under the "Labor Pension Act," which are defined contribution plans. In accordance with the regulations, the monthly contribution rate for labor pension expense borne by the Company shall not be less than 6% of the employees' monthly salary. The Company and its domestic subsidiaries have established an employee retirement plan according to the Act, under which 6% of

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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the monthly salary is contributed to individual retirement accounts at the Bureau of Labor Insurance.

The expenses recognized by the Company under the Defined Contribution plans for the years ended December 31, 2025 and 2024 were NT\$2,018 thousand and NT\$1,948 thousand, respectively.

13. Equity

(1) Common stock

As of December 31, 2025 and 2024, the authorized share capital of the Company was NT\$700,000 thousand, while the paid-up share capital was NT\$311,795 thousand. These amounts represent 31,180 thousand shares, with a face value of NT\$10 per share. Each share carries one voting right and the right to receive dividends.

On March 12, 2024, the Company's Board of Directors resolved to conduct a cash capital increase before the initial public offering, issuing 2,000 thousand common shares. In accordance with Article 267 of the Company Act, 15% of the new shares, totaling 300 thousand shares, are reserved for employee subscription. The remaining 1,700 thousand shares were approved by the Company's shareholders at the extraordinary general meeting held on November 3, 2023, where existing shareholders waived their preemptive rights, and all the shares were publicly underwritten before the listing. The aforementioned cash capital increase was approved by the Taiwan Stock Exchange Corporation on April 8, 2024. The Board of Directors has resolved to set May 15, 2024, as the record date for the capital increase. After the increase, the authorized capital will be NT\$700,000 thousand, and the issued capital will be NT\$311,795 thousand, with a par value of NT\$10 per share, divided into 31,180 thousand shares.

(2) Capital surplus

	2025.12.31	2024.12.31
Additional paid-up capital	\$257,997	\$257,997
Difference between consideration and carrying amount of subsidiaries acquired or disposed	2,289	2,289
Expired Employee Stock Options	929	929
Convertible bond stock warrants	18,941	-
Total	\$280,156	\$261,215

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)

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As stipulated by the law, Capital surplus shall not be used except to offset the company's deficits. When the company has no deficits, the surplus from issuing shares exceeding the face value and the capital surplus generated from accepting donations can be allocated to increase the capital. The above-mentioned Capital surplus can also be distributed in cash according to the proportion of the original shares held by shareholders.

(3) Earnings Distribution

According to the Articles of Incorporation of the Company, if there are earnings at the annual final accounts, it should be distributed in the following order:

- A. Payment of all taxes and dues.
- B. Offset operation losses.
- C. Appropriate 10% as Legal reserve.
- D. Other special surplus reserve recognized or reversed in accordance with laws and regulations or supervisory authorities.
- E. The remaining, along with previous years' undistributed earnings, should be proposed by the Board of Directors for profit distribution. When it is to be done through the issuance of new shares, it should be distributed after being resolved by the shareholders' meeting. If it is done in the form of cash disbursement, it is authorized by the Board of Directors with the attendance of more than two-thirds of the directors and the agreement of more than half of the attending directors, and reported to the shareholders' meeting.

The Company, considering its operating environment, growth stage, responding to future capital needs, financial structure, and earnings situation, and aiming for a balanced and stable dividend policy, plans to distribute not less than 10% of distributable earnings as shareholder dividends each year, based on its capital requirement and the dilution effect on earnings per share. The dividends can be distributed either in the form of stock or cash dividends, with cash dividends accounting for no less than 10% of the total dividends distributed.

In accordance with the Company Law, the Legal reserve should be appropriated until its total amount has reached the total capital. The legal reserve can be used to set off deficits. When the company is not in deficit, it can distribute new shares or cash in proportion to the original shares of shareholders with the part of the legal reserve exceeding 25% of the paid-up capital.

The Company proposed and resolved the appropriation and distribution of retained earnings and per share dividend for 2025 and 2024 at the Board of Directors and

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shareholders' regular meeting on March 6, 2026 and June 25, 2025, respectively, as follows:

	Appropriation of Earnings Proposal		Dividends per share (NTD)	
	2025	2024	2025	2024
Legal reserve	\$11,157	\$11,777	\$-	\$-
Cash dividends on ordinary shares (Note)	\$116,718	\$109,128	\$4.0	\$3.5

Refer to the 'Market Observation Post System' of the Taiwan Stock Exchange for information on earnings distribution resolved by the Board of Directors and shareholders' meeting.

Refer to Note (6).20 for information related to the basis of employees and directors' remuneration estimates and the recognition of their amounts.

Note: The Company's Board of Directors, authorized by the Articles of Association and passed a special resolution on March 6, 2026, approving the cash dividends proposal for the year ended December 2025 of ordinary shares.

14. Share-based Payment Plan

The Company's employees can receive share-based payments as part of the compensation plan; employees obtain equity instruments in exchange for rendering of services. These transactions are equity-settled share-based payment transactions.

Cash Capital Increase with Employee Stock Subscription Reserved

On March 12, 2024, the Board of Directors resolved to conduct a cash capital increase and issue new shares. In accordance with regulations, 15% of the total shares issued through the capital increase were reserved for subscription by eligible employees, with the grant date determined based on the date the number of employee subscriptions is confirmed.

The subscription record date for this plan was set as May 8, 2024. A total of 2,000 thousand common shares were issued in the cash capital increase, with 300 thousand shares reserved for employee subscription. Employees actually subscribed to 241 thousand shares. The new shares from the cash capital increase were issued at NT\$55 per share, and the record date for the capital increase was set as May 15, 2024. Relevant information is as follows:

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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Type of Agreement	Grant date	Subscription Quantity (in thousands of shares)	Contract Period	Vesting Conditions	Allotment Date to Employees
Cash Capital Increase with Employee Stock Subscription Reserved	2024.5.8	241	-	Immediately Vested	2024.5.15

The fair value information of the employee stock options granted by the Company is as follows:

Type of Agreement	Grant date	Exercise Price	Fair Value per Unit
Cash Capital Increase with Employee Stock Subscription Reserved	2024.5.8	\$55	\$15.75

The Company recognized a compensation cost of NT\$4,725 thousand for the period from January 1 to December 31, 2024, resulting from the employee subscription reserved under the cash capital increase.

15. Revenue

	2025	2024
Rendering of Services Income	<u>\$508,739</u>	<u>\$518,393</u>

The information related to Revenue from contracts with customers for the Company in 2025 and 2024 is as follows:

Breakdown of Revenue

	2025		
	Income from Wastewater Treatment	Others	Total
Rendering of services	<u>\$427,621</u>	<u>\$81,118</u>	<u>\$508,739</u>
Revenue Recognition: at a certain point in time	<u>\$427,621</u>	<u>\$81,118</u>	<u>\$508,739</u>
	2024		
	Income from Wastewater Treatment	Others	Total

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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Rendering of services	<u>\$438,326</u>	<u>\$80,067</u>	<u>\$518,393</u>
Revenue Recognition: at a certain point in time	<u>\$438,326</u>	<u>\$80,067</u>	<u>\$518,393</u>

16. Expected Credit Loss

	<u>2025</u>	<u>2024</u>
Operating Expense - Expected Credit Loss		
Accounts Receivable	<u>\$-</u>	<u>\$-</u>

Refer to Note (12) for credit risk related information.

The receivables of the Company (including bills receivable and accounts receivable) are all measured by the expected credit loss during the period. The evaluation of the provision for bad debts as of December 31, 2025 and 2024 are as follows:

The historical experience of credit losses on the Group's receivables indicates no significant difference in the loss patterns of different customer groups. Therefore, the provision for bad debts is measured using a provision matrix without distinguishing the customer groups. The information is as follows:

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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2025.12.31

	Not past due	Days past due					Total
		Within 30 days	31 - 60 days	61 - 90 days	91 - 120 days	More than 121 days	
Total book value	Note \$86,374	\$-	\$-	\$-	\$-	\$-	\$86,374
Loss rate	0.86%~1.00%	-	-	-	-	-	
Expected Credit Loss lifetime	(745)	-	-	-	-	-	(745)
Book value	\$85,629	\$-	\$-	\$-	\$-	\$-	\$85,629

2024.12.31

	Not past due	Days past due					Total
		Within 30 days	31 - 60 days	61 - 90 days	91 - 120 days	More than 121 days	
Total book value	Note \$106,263	\$-	\$-	\$-	\$-	\$-	\$106,263
Loss rate	0.70%~1.00%	-	-	-	-	-	
Expected Credit Loss lifetime	(745)	-	-	-	-	-	(745)
Book value	\$105,518	\$-	\$-	\$-	\$-	\$-	\$105,518

Note: All bills receivable of the Company are not past due.

Changes in provision for bad debts on bills receivable and accounts receivable for the Company for 2025 and 2024 are as follows:

	Bills receivable	Accounts Receivable
2024.1.1	\$-	\$745
Additional Amount	-	-
Written off bad debts	-	-
2024.12.31	-	745
Additional Amount	-	-
Written off bad debts	-	-
December 31, 2025	\$-	\$745

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17. Leases

The Company as lessee

A. The lessee and the lease activity related income, expense, and loss

	2025	2024
Short-term lease expense	\$74	\$204
Low-value asset lease expense (excluding the low-value assets lease expense of the short-term leases)	\$76	\$82

B. The lessee and the lease activity related cash outflow

The total cash outflow for leases principal of the Company for the years ended December 31, 2025 and 2024 were NT\$150 thousand and NT\$286 thousand, respectively.

C. Other information related to leasing activities

Extend leases and terminate leases options

Some of the Group's property lease agreements include extend leases and terminate leases options. In determining the lease term, it includes the non-cancelable period for which The Company has the right to use the underlying asset, the period covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and the period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The use of these options can greatly maximize the operational flexibility of management contracts. The majority of options to extend leases and to terminate leases can only be exercised by The Company. When a significant event occurs or a significant change in circumstance (within the lessee's control and affects whether the Company can reasonably determine to exercise an option not previously included when determining the lease term, or not exercise an option previously included when determining the lease term) after the commencement date, the Company reevaluates the lease term.

18. The employee benefits, depreciation, and amortization expenses are summarized by function as follows:

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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By function By nature	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expenses						
Salaries and wages	\$20,736	\$31,207	\$51,943	\$19,769	\$33,782	\$53,551
Labor insurance and national health insurance	\$2,857	\$2,144	\$5,001	\$2,597	\$2,076	\$4,673
Pension expenses	\$994	\$1,024	\$2,018	\$928	\$1,020	\$1,948
Directors' remuneration	\$-	\$2,873	\$2,873	\$-	\$2,855	\$2,855
Other employee benefits expenses	\$832	\$1,108	\$1,940	\$862	\$1,132	\$1,994
Depreciation expense	\$20,428	\$1,592	\$22,020	\$21,765	\$1,344	\$23,109
Amortization expenses	\$-	\$-	\$-	\$-	\$-	\$-

Note:

- The number of employees of the Company as of December 31, 2025 and 2024 was 76 and 75, respectively, and the number of directors who were not concurrently employees was 6 at both times.
- For companies whose stocks are publicly traded on a stock exchange or listed on the securities trading counter, they should add the following disclosures:
 - The average employee benefits expenses for the year were NT\$870 thousand. The average employee benefits expenses for the previous year were NT\$901 thousand.
 - The average employee salaries expenses for the year were NT\$742 thousand. The average employee salaries expenses for the previous year were NT\$776 thousand.
 - The adjustment in average employee salaries expenses was (4.38%).
 - The Company has established an audit committee to replace supervisors; therefore, there was no supervisor remuneration for the years ended December 31, 2025 and 2024.
 - Compensation policy

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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- A. The remuneration of the directors of The Company is determined by the Board of Directors based on the directors' level of participation and contribution to The Company's operations, and by reference to industry standards. It is then reported to the shareholders' meeting for approval, and the Amount is paid according to the resolution of the shareholders' meeting.
- B. The Company's executive officers and employees are remunerated by reference to the salary levels of comparable positions in the industry, the scope of responsibilities of the positions, and the degree of contribution to the Company's operations. The procedure for determining remuneration involves not only referring to the company's consolidated operating performance but also considering individual performance achievements and contributions to the company's performance to provide reasonable compensation.

At the shareholders' regular meeting on June 25, 2025, the Company approved an amendment to the Articles of Incorporation. According to the amended Articles, if the Company has annual profits, not less than 1% should be allocated as the profit sharing bonus to employees and not more than 3% as compensation to directors. An amount not less than one-third of the previous item of the profit sharing bonus to employees should be allocated for distribution as compensation to the grassroots employees. However, when there are accumulated losses, an equivalent amount should be appropriated to make up for losses. The aforementioned remuneration to employees is to be paid in the form of shares or cash. Approval for such benefits should be passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members. The results should be reported during Shareholders' Meeting. Prior to its amendment, the Company's Articles of Incorporation stipulated that if the Company made a profit in any given year, no less than 1% should be allocated for profit sharing bonus to employees and no more than 3% for compensation to directors. However, when there are accumulated losses, an equivalent amount should be appropriated to make up for losses. The aforementioned remuneration to employees is to be paid in the form of shares or cash. Approval for such benefits should be passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members. The results should be reported during Shareholders' Meeting. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange Corporation for information on employee remuneration and remuneration to directors resolved by the Board of Directors.

The Company estimates employees' compensation and directors' remuneration at 7% and 1% of its profits for the year ended December 2025, respectively. When there is a difference between the estimated amounts and the actual distribution amount decided by the Board of Directors, it will be recognized as profit or loss for the following year. If the Board of Directors resolves to distribute employee compensation in the form of stock, the closing price of the day preceding the resolution date of the Board of Directors will be used as the basis for calculating the number of shares to be distributed.

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The Company resolved at the Board of Directors on March 6, 2026 to distribute cash as employees' remuneration and Directors' Remuneration for the year ended December 2025 amounted of NT\$10,575 thousand and NT\$1,511 thousand, respectively, which were recognized as Salaries expenses.

In the financial statements for the year ended December 2024, the Company reported NT\$10,995 thousand and NT\$1,571 thousand as expenses for the profit sharing bonus to employees and compensation to directors, respectively, which did not significantly differ from the actual amounts paid.

19. Non-operating revenues and expenses

(1) Interest revenue

	2025	2024
Financial assets at amortized costs	<u>\$2,994</u>	<u>\$2,277</u>

(2) Other income

	2025	2024
Rent revenue	\$14	\$51
Dividend income	525	153
Other income	741	914
Total	<u>\$1,280</u>	<u>\$1,118</u>

(3) Other gains and losses

	2025	2024
Financial assets at FVTPL (loss) (Note 1)	(\$3,828)	(\$7,025)
Financial liabilities at FVTPL (loss) (Note 2)	(735)	-
Other expenses	(4,196)	-
Total	<u>(\$8,759)</u>	<u>(\$7,025)</u>

Note 1: Financial assets mandatorily measured at FVTPL valuation adjustments.

Note 2: Valuation adjustments arising from financial liabilities held for trading.

(4) Finance Costs

	2025	2024
Interest on bank loans	<u>\$240</u>	<u>\$21</u>

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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	2025	2024
Interest on bonds payable	5,291	-
Total	<u>\$5,531</u>	<u>\$21</u>

20. Income tax

- (1) The main components of the income tax expenses for the years ended December 31, 2025 and 2024 are as follows:

Income tax recognized in the profit or loss

	2025	2024
Current income tax expenses:		
Income tax payable for the current period	\$25,751	\$25,369
Prior years adjustment in the year	(74)	(173)
Income tax expenses	<u>\$25,677</u>	<u>\$25,196</u>

- (2) The reconciliation of the amount of income tax expense and accounting profit multiplied by the applicable income tax rate is as follows:

	2025	2024
Net income before tax of the continuing business units	<u>\$139,021</u>	<u>\$143,476</u>
Tax amount calculated at the domestic tax rate applicable to the income of the relevant country	\$27,804	\$28,695
Income tax effects of tax-exempt income	(5,338)	(5,213)
Income tax effects of non-deductible expenses on tax returns	3,285	1,887
Prior years adjustment in the year	(74)	(173)
Total income tax expense recognized in profit or loss	<u>\$25,677</u>	<u>\$25,196</u>

- (3) Income tax declaration and audit

As of December 31, 2025, the Company's income tax assessments were completed through 2023.

21. Earnings per share

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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The calculation of basic earnings per share amount is based on the Net profit attributable to ordinary shareholders of the Company for the current period divided by the weighted average number of outstanding ordinary shares for the current period.

The calculation of the Diluted earnings per share is based on the net profit attributable to ordinary shareholders of the Company for the current period (after adjusting the interest of convertible bonds) divided by the sum of the weighted average number of ordinary shares outstanding during the current period plus the weighted average number of ordinary shares to be issued when all potential ordinary shares with dilution effect are converted into ordinary shares.

	2025	2024
(1) <u>Basic Earnings Per Share</u>		
Net income (thousands NT\$)	\$113,344	\$118,280
Weighted average number of common stock shares (thousand shares) of the earnings per share	31,180	30,442
Base earnings per share (NTD)	\$3.64	\$3.89
(2) <u>Diluted earnings per share</u>		
Net income (thousands NT\$)	\$113,344	\$118,280
Convertible bonds	4,820	-
Net profit attributable to ordinary shareholders adjusted for the effects of dilution (thousands NT\$)	\$118,164	\$118,280
Weighted average number of common stock shares (thousand shares) of the earnings per share	31,180	30,442
Dilution effect:		
Employee Compensation - Shares (thousands NT\$)	264	227
Convertible bonds (In Thousands)	4,355	-
Weighted average number of common stock shares after adjusting the dilutive effect (thousand shares)	35,799	30,669
Diluted earnings per share (NTD)	\$3.30	\$3.86

There was no other transaction performed to cause significant changes to the outstanding common stock shares or the potential common stock shares after the reporting period and before the release of the financial statements.

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22. Changes in ownership interests in subsidiaries

Acquisition of shares issued by the subsidiary

On August 7, 2024, the Company further acquired 0.42% of the voting shares of Ping Ho Materials Technology Co., Ltd., increasing its ownership to 93.08%. Since this change in equity does not affect the Company's control over the Subsidiary, it is considered an equity transaction. The cash consideration paid to the non-controlling interest shareholders was NT\$530 thousand. The book value of the net assets of Ping Ho Materials Technology Co., Ltd. (originally acquired and excluding goodwill) was NT\$518 thousand. The adjustment to the relevant equity from the additional acquisition of Ping Ho Materials Technology Co., Ltd. includes the following reduction in non-controlling interest:

	2024
Cash consideration paid by the Group to non-controlling shareholders	\$530
Reduction in non-controlling interest	(518)
Difference recognized in capital surplus under equity	<u>\$12</u>

Failure to subscribe for new shares issued by the subsidiary in proportion to shareholding

Ping Ho Materials Technology Co., Ltd. resolved to carry out a capital increase and issued new shares, all of which were subscribed to by the Company. As a result, the Company's ownership increased to 94.81%. The additional equity in Ping Ho Materials Technology Co., Ltd. includes the following changes in non-controlling interest:

	2024
Cash received by the company from the capital increase	\$-
Increase in non-controlling interests	509
Difference recognized in retained earnings under equity	<u>\$509</u>

Ping Ho Materials Technology Co., Ltd. resolved to carry out a capital increase and issued new shares on May 29, 2025, all of which were subscribed to by the Company. As a result, the Company's ownership increased to 98.33%. The additional equity in Ping Ho Materials

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Technology Co., Ltd. includes the following changes in non-controlling interest:

	2025
Cash received by the Group from the capital increase	\$-
Increase in non-controlling interests	1,737
Difference recognized in retained earnings under equity	\$1,737

VII. Related Party Transactions

The related parties with transactions with The Company during the financial reporting period are as follows:

Related parties and their relationship

Name	Related Party Categories
Ping Ho Materials Technology Co., Ltd.	Subsidiary of the Company
Ching Jin Industrial Co., Ltd.	Subsidiary of the Company
Wan Jing Industrial Co., Ltd.	Subsidiary of the Company
Feng Jia Industrial Co., Ltd.	Subsidiary of the Company
Yung Herng Engineering Co., Ltd.	Substantial related party
He Chin Precision Machinery Co., Ltd.	Substantial related party

Note: He Chin Precision Machinery Co., Ltd. has not been a substantial related party of the Group since June 5, 2025. Therefore, only transactions with the company from January 1, 2025, to June 5, 2025, are listed.

Significant transactions between related parties

1. Sales

Name	2025	2024
Ching Jin Industrial Co., Ltd.	\$2,096	\$2,318
Wan Jing Industrial Co., Ltd.	8,561	9,750
Feng Jia Industrial Co., Ltd.	61	33
He Chin Precision Machinery Co., Ltd.	3,863	12,510
Total	\$14,581	\$24,611

The Company sells goods to the aforementioned related parties (including income from Wastewater Treatment) under general payment terms, with a monthly settlement payment period of 30 days.

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2. Purchase

Name	2025	2024
Feng Jia Industrial Co., Ltd.	\$123,938	\$133,082

The Company purchases from the aforementioned related parties (including purchases of chemicals and consumables) under general payment terms, with a payment period of 30 to 60 days.

3. Accounts Receivables (Payables) from/to related parties

Name	2025.12.31	2024.12.31
<u>Accounts Receivable</u>		
Ching Jin Industrial Co., Ltd.	\$350	\$513
Wan Jing Industrial Co., Ltd.	1,143	1,716
Feng Jia Industrial Co., Ltd.	11	-
He Chin Precision Machinery Co., Ltd.	-	2,770
Total	\$1,504	\$4,999

Name	2025.12.31	2024.12.31
<u>Other receivables (not related to financing)</u>		
Ping Ho Materials Technology Co., Ltd.	\$32	\$31
Ching Jin Industrial Co., Ltd.	6	7
Wan Jing Industrial Co., Ltd.	4	4
Feng Jia Industrial Co., Ltd.	11	11
Total	\$53	\$53

Name	2025.12.31	2024.12.31
<u>Accounts payable</u>		
Feng Jia Industrial Co., Ltd.	\$17,041	\$18,854

Name	2025.12.31	2024.12.31
<u>Other payables</u>		
Ching Jin Industrial Co., Ltd.	\$6,634	\$7,928
Wan Jing Industrial Co., Ltd.	2,079	2,479
Feng Jia Industrial Co., Ltd.	2,667	2,967
Yung Herng Engineering Co., Ltd.	1,668	1,698
Total	\$13,048	\$15,072

4. Property Transaction Details

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Purchase:

2025.1.1~2025.12.31

Counterparty	Name of asset	Amount	Basis of transaction price
Yung Herng Engineering Co., Ltd.	Machinery and equipment	\$726	Negotiated Price

2024.1.1~2024.12.31

Counterparty	Name of asset	Amount	Basis of transaction price
Yung Herng Engineering Co., Ltd.	Machinery and equipment	\$1,554	Negotiated Price
Yung Herng Engineering Co., Ltd.	Other equipment	5,580	Negotiated Price
	Total	<u>\$7,134</u>	

Disposal:

2025.1.1~2025.12.31: No such matter.

2024.1.1~2024.12.31: No such matter.

5. Remuneration of key management personnel of the Company.

	2025	2024
Short-term employee benefits	\$14,488	\$13,744
Retirement benefits	216	214
Total	<u>\$14,704</u>	<u>\$13,958</u>

6. Others

(1) The Company has signed a contract with Yung Herng Engineering Co., Ltd. for equipment upgrading and related works. The total contract price is NT\$18,079 thousand (including tax). As of December 31, 2025, the work has been completed and NT\$6,254 thousand has been transferred to Property, plant and equipment - Machinery and equipment, other equipment, and other prepaid expenses. Additionally, for the incomplete work valued at NT\$11,513 thousand (including tax), the contract price yet to be billed is NT\$7,639 thousand.

(2) For the years ended December 31, 2025 and 2024, the payments to Ching Jin Industrial Co., Ltd. for cleaning and transportation expenses were NT\$36,408

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thousand and NT\$37,743 thousand, respectively, which were recorded under manufacturing expenses - cleaning and transportation expenses.

- (3) For the years ended December 31, 2025 and 2024, the payments to Wan Jing Industrial Co., Ltd. for cleaning and transportation expenses were NT\$10,987 thousand and NT\$12,483 thousand, respectively, which were recorded under manufacturing expenses - cleaning and transportation expenses.
- (4) For the years ended December 31, 2025 and 2024, the payments to Yung Heng Engineering Co., Ltd. for maintenance expenses and other expenditures were NT\$4,771 thousand and NT\$3,589 thousand, respectively, which were recorded under manufacturing expenses, general and administrative expenses, and other prepaid expenses.
- (5) For the years ended December 31, 2025 and 2024, the payments to Ping Ho Materials Technology Co., Ltd. for the acquisition of office equipment were NT\$40 thousand and NT\$10 thousand, respectively, which were recorded under research and development expenses - miscellaneous purchases.
- (6) For the years ended December 31, 2025 and 2024, the service income and endorsement guarantee fee income received from Ping Ho Materials Technology Co., Ltd., Ching Jin Industrial Co., Ltd., Wan Jing Industrial Co., Ltd., and Feng Jia Industrial Co., Ltd. amounted to NT\$840 thousand and NT\$906 thousand, respectively, which were recorded under other income.

VIII. Pledged Assets

The Group has the following assets as collaterals:

	Book value		Guaranteed debt
	2025.12.31	2024.12.31	
Current financial assets at amortized cost	\$8,000	\$-	Bonds payable
Property, Plant and Equipment	152,793	-	Bonds payable
Total	<u>\$160,793</u>	<u>\$-</u>	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2025, performance guarantees amounting to NT\$357,035 thousand issued by banks due to the issuance of convertible bonds have not been included in the aforementioned financial statements.

X. Significant Disaster Loss

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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No such event.

XI. Significant Subsequent Events

No such event.

XII. Others

1. Categories of financial instruments

Financial assets

	2025.12.31	2024.12.31
Financial assets measured at FVTPL:		
Mandatorily measured at fair value through profit or loss	\$38,643	\$42,471
Financial assets measured at cost after amortization:		
Cash and cash equivalents (excluding cash on hand)	193,215	144,672
Current financial assets at amortized cost	8,000	25,000
Receivables	85,693	155,935
Refundable deposits	16,541	17,316
Total	<u>\$342,092</u>	<u>\$385,394</u>

Financial liabilities

	2025.12.31	2024.12.31
Financial liabilities at amortized cost:		
Payables	\$90,068	\$97,624
Bonds payable	330,797	-
Subtotal	<u>420,865</u>	<u>97,624</u>
Financial liabilities measured at FVTPL:		
Held for transaction purposes	2,415	-
Total	<u>\$423,280</u>	<u>\$97,624</u>

2. Financial Risk Management Objectives and Policies

The primary goal of the Company's financial risk management is to manage market risk, credit risk, and liquidity risk related to operational activities. Based on the company's policies and risk appetite, the Company identifies, measures, and manages these risks.

The Group has established appropriate policies, procedures, and internal controls for the aforementioned financial risk management in accordance with relevant regulations. Significant financial activities must be reviewed by the Board of Directors in compliance with relevant regulations and internal control systems. During the execution of financial management activities, the Company must strictly comply with the established regulations

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
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of financial risk management.

3. Market Risk

The market risk of the Company refers to the risk of fluctuations in the fair value or cash flow of financial instruments due to changes in market prices. The market risk mainly includes interest rate risk and other price risks.

In practice, it is rare for a single risk variable to change independently, and the changes in each risk variables are typically correlated. However, the sensitivity analysis of the following risks does not consider the interactive effects of related risk variables.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates lead to fluctuations in the fair value or future cash flows of financial instruments. The main sources of interest rate risk for The Company are fixed-rate borrowings and floating-rate borrowings.

The Group maintains an appropriate mix of fixed and floating interest rates, and uses interest rate swap contracts to manage interest rate risk.

The sensitivity analysis of interest rate risk mainly targets interest rate exposure items as of the financial reporting period-end, including floating rate investments and floating rate borrowings. It assumes holding for one accounting year. If the interest rate increases/decreases by 10%, the impact on the Company's profit or loss for the periods from January 1 to December 31, 2025 and 2024 will be an increase/decrease of NT\$201 thousand and NT\$170 thousand, respectively.

Equity price risk

The Group holds equity securities of publicly listed companies, and their fair value may be affected by the uncertainty of the future value of these investment targets. The equity securities held by the Group are classified as financial instruments measured at fair value through profit or loss. The Company manages equity price risk through diversification of investments and by setting limits for both individual and overall equity investments. The portfolio information of equity securities must be regularly provided to the senior management of the Company, and all decisions on equity securities investments must be reviewed and approved by the Board of Directors.

For equity securities of publicly listed companies measured at fair value through profit or loss, if the price of these securities increases/decreases by 1%, the impact on The Company's profit or loss for the periods from January 1 to December 31, 2024 and 2023

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

will be an increase/decrease of NT\$495 thousand and NT\$495 thousand, respectively.

4. Credit risk management

Credit risk refers to the risk of financial loss due to the counterparty's failure to fulfill the obligations stipulated in the contract. The credit risk of the Company is due to operation activities (mainly accounts receivable and bills) and financial activities (mainly bank deposits and various financial instruments).

Each unit of the Company follows the policies, procedures, and controls to manage credit risk. The credit risk assessment of all counterparties comprehensively considers counterparty's financial condition, credit rating by credit rating agencies, past trading experience, current economic environment, and the internal rating standards of the Group. The Company also uses certain credit enhancement tools (such as advance sales receipts and insurance, etc.) at appropriate times to reduce the credit risk of specific transaction counterparts.

As of December 31, 2025 and 2024, accounts receivables from the Company's top ten customers accounted for 68.41% and 71.55% of the total accounts receivables of the Company, respectively, with no credit concentration risk related to accounts receivables.

The finance unit of the Group manages the credit risk of cash in banks and other financial instruments in accordance with the company's policy. As the counterparties of the Company are determined by internal control processes and are organizations with good credit, there is no significant credit risk.

The Company adopts IFRS 9 to assess expected credit losses. Except for receivables, which are measured for provision for bad debts based on expected credit losses over the lifetime, the rest of the debt instrument investments not measured at fair value through profit or loss are primarily purchased with the premise of low credit risk, and credit risk was used as the basis for grouping the investments. On each statement of financial position date, it assesses whether the credit risk has significantly increased since the initial recognition to determine the method and loss rate of measuring the expected credit loss.

The Group written off financial assets when it determines that it is unlikely to be recoverable (for example, significant financial difficulties of the issuer or debtor, or bankruptcy).

5. Liquidity risk management

The Company maintains financial flexibility through contracts such as cash and cash

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

equivalents and bank loans. The table below summarizes the maturity of the contractually obligated payments of the Company's financial liabilities, prepared on the basis of the earliest possible date on which repayment may be required and their undiscounted cash flows, including agreed-upon interest amounts. The cash flow of interest paid at a floating rate, the undiscounted amount of interest is derived based on the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	Two to three years	Four to five years	More than five years	Total
December 31, 2025					
Payables	\$90,068	\$-	\$-	\$-	\$90,068
Convertible corporate bonds	\$-	\$353,509	\$-	\$-	\$353,509
2024.12.31					
Payables	\$97,624	\$-	\$-	\$-	\$97,624

6. The reconciliation of liabilities from financing activities

2025

	Bonds payable	Total liabilities from financing activities
2025.1.1	\$-	\$-
Financing Cash Flow	351,750	351,750
Non-cash Changes		
Interest expenses	5,291	5,291
Other changes	(26,244)	(26,244)
December 31, 2025	\$330,797	\$330,797

The reconciliation information of liabilities for the year 2024: No such matter.

7. Fair value of financial instruments

(1) The Valuation Technique and assumptions adopted for measuring the Fair Value.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

- A. The carrying amounts of cash and cash equivalents, accounts receivables, accounts payables, and other current liabilities are reasonable approximations

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

of their fair values, mainly due to the short maturity of these instruments.

- B. The fair value of financial assets and financial liabilities that are traded in an active market and have standard terms and conditions is determined by referring to market quotes (for example, listed stocks, beneficiary certificates, bonds, and futures etc.).
- C. The fair value of investments in debt-class instruments with no active market, bank loans, bonds payable, and other non-current liabilities is determined based on quotes from counterparties or valuation techniques. The valuation techniques are mainly based on discounted cash flow analysis, and assumptions such as interest rates and discount rates mainly refer to relevant information of similar instruments (like curve of reference yield rates from Over The Counter (OTC) market, average quoted rates of commercial paper from Reuters, and credit risk information).

(2) Fair Value of Financial Instruments Measured at Amortized Cost

In the financial instruments of the Group measured at amortized cost, aside from the fact that the carrying amounts of cash and cash equivalents, accounts receivables, accounts payables, and other current liabilities are reasonable approximations of their fair values, the fair value of the remaining financial assets and financial liabilities measured at amortized cost is presented as follows:

	Book value	
	2025.12.31	2024.12.31
Financial liabilities:		
Bonds payable	\$330,797	\$-
	Fair value	
	2025.12.31	2024.12.31
Financial liabilities:		
Bonds payable	\$336,420	\$-

(3) Information Related to the Fair Value Level of Financial Instruments

Refer to Note (12).9 for the fair value hierarchy information of the Company's financial instruments.

8. Derivatives

The Company has identified embedded derivatives resulting from the issuance of convertible bonds, which have been separated from the host contract and accounted for using FVTPL. For contractual information regarding this transaction, please refer to Note 6.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

9. Fair value hierarchy

(1) Definition of Fair Value Level

All assets and liabilities measured or disclosed at fair value are classified within the fair value hierarchy based on the lowest level of inputs that are significant to the entire measurement of their fair value. Inputs for each level are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in an active market available on the measurement date.

Level 2: Assets or liabilities for which there are directly or indirectly observable inputs, excluding those included in Level 1.

Level 3: Unobservable inputs for assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a repetitive basis, the classification is re-evaluated at the end of each reporting period to determine whether there is a transfer between the fair value levels.

(2) Level information of fair value measurement

The Company does not have non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets and liabilities is presented as follows:

December 31, 2025

	Level 1	Level 2	Level 3	Total
Assets measured through fair value:				
Financial assets measured at FVTPL				
TWSE/TPEX-listed Stock	\$38,643	\$-	\$-	\$38,643
Liabilities measured through fair value:				
Financial liabilities measured at FVTPL				
Held for transaction purposes	\$-	\$2,415	\$-	\$2,415

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets measured through fair value:				
Financial assets measured at				

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

FVTPL				
TWSE/TPEX-listed Stock	\$42,471	\$-	\$-	\$42,471

Transfer between Level 1 and Level 2 fair value

Between January 1 to December 31, 2025 and 2024, the Company did not have any transfers between fair value hierarchy Level 1 and Level 2 for recurring assets and liabilities measured at fair value.

10. Capital Management

The primary objective of the Company's capital management is to ensure a sound credit rating and a good capital ratio to support business operations and maximize shareholder equity. The Company manages and adjusts its capital structure according to economic conditions, potentially by adjusting dividends paid, returning capital, or issuing new shares to achieve the purpose of maintaining and adjusting the capital structure.

XIII. Supplementary Disclosure

1. Related Information of Significant Transactions and Information on Investees:

The Related Information of Significant Transactions and Information on Investees from January 1, 2025 to December 31, 2025 are as follows:

- (1) Financing provided for others: Refer to Appendix 1.
- (2) Endorsement or guarantee provided to others: Refer to Appendix 2.
- (3) Significant marketable securities held at the end of the period: Refer to Table 3.
- (4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-up capital: Refer to Appendix 4.
- (5) Accounts receivables from related parties amounting to at least NT\$ 100 million or 20% of the paid-up capital: None.
- (6) For those who have significant influence, control, or joint venture equity in investee companies not located in Mainland China: Refer to TABLE 5.

2. Disclosure of Information on Investment in Mainland China: Not applicable.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

TABLE 1
Financing provided for others:

No. (Note 1)	Lender of funds	Borrower of funds	Financial Statement Account (Note 2)	Are they related parties	Maximum Balance for the Period (Note 3)	Balance , end of period (Note 8)	The actual disbursed Amount	Interest rate range	Nature for Financing (Note 4)	Transaction Amounts (Note 5)	Reason for the need of short- term Financing (Note 6)	Amount of provision for bad debt allowance	Collateral		Loan limit amount for each individual	Total limit on financing amount	Note
													Name	Value			
0	Ping Ho Environmental Technology Co., Ltd.	Ping Ho Materials Technology Co., Ltd.	Other receivables - related parties	Yes	\$50,000	\$-	\$-	-	Short- Term Financing	-	Operating capital	-	-	-	\$353,144	\$353,144	(Note 7)

Note 1: The number is to be filled in the following manner in the column:

1. For the column of the issuer, please fill in "0."
2. Investee is numbered starting from number 1.

Note 2: The receivables from related enterprises, receivables from related parties, shareholder transactions, prepayments, and temporary payments, etc., if they are of a loaning nature, must be included in this section.

Note 3: The highest balance of funds loaned to others during the year.

Note 4: If the nature of the loaned funds is for business transactions, or if there is a need for short-term financing, it should be specified.

Note 5: If the nature of the loaned funds is for business transactions, the business transaction amount should be provided. This amount refers to the business transaction amount between the lender company and the borrower during the most recent year.

Note 6: If the nature of the loaned funds is for short-term financing, the reason for the loan and the purpose of the funds by the borrowing party should be specifically explained, such as repayment of loans, purchasing equipment, business turnover, etc.

Note 7: According to the Company's procedures for loaning of funds, the total amount of external loans cannot exceed 40% of the latest net worth as per the most recent financial report. However, this restriction does not apply to foreign companies where the Company holds 100% of the voting shares directly or indirectly. The loan amount to a single enterprise cannot exceed 40% of the latest net worth as per the most recent financial report.

Note 8: For companies or businesses with which the Company has business transactions, the total amount of funds loaned shall not exceed 40% of the Company's net worth, and the individual loan amount shall not exceed the business transaction amount between the two parties. The business transaction amount refers to the higher of the purchase or sales amount between the two parties.

Note 9: If a publicly listed company, according to Article 14, Paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, loaning of funds on a case-by-case basis with a Board resolution, even if the funds have not yet been disbursed, the Board-approved amount should be included in the disclosed balance to reflect the risk it undertakes. If the funds are later repaid, the remaining balance after repayment should be disclosed to reflect the adjustment in risk. If a publicly listed company, based on Article 14, Paragraph 2 of the Regulations, has a Board resolution authorizing the chairman to disburse loans in installments or on a revolving basis within a set amount and within one year, the loan amount approved by the Board should still be used as the disclosed balance for announcement. Even if the funds are later repaid, considering the possibility of re-loaning, the loan amount approved by the board should still be used as the disclosed balance for announcement.

Note 10: The business has been eliminated when the consolidated statements are prepared.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

TABLE 2

Endorsement or guarantee provided to others:

No. (Note 1)	Endorsement/ Guarantee Provider Name	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement Guarantee at End of period (Note 5)	Actual Amount Used (Note 6)	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 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Company Name	Nature of Relationships (Note 2)										
0	Ping Ho Environmental Technology Co., Ltd.	Ping Ho Materials Technology Co., Ltd.	2	\$441,431	\$180,000	\$30,000	\$-	\$-	3.40%	\$441,431	Yes	No	No

Note 1: The number is to be filled in the following manner in the column:

1. For the column of the issuer, please fill in "0."
2. Investee is numbered starting from number 1.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; the category can be marked directly:

1. Companies having a business relationship.
2. Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
3. Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
4. The Company can provide endorsements and guarantees among companies where it directly and indirectly holds more than ninety percent of the voting shares, but the amount should not exceed ten percent of the Company's net value. However, endorsements and guarantees among companies where the Company directly and indirectly holds one hundred percent of the voting shares are not subject to the restriction.
5. Based on the companies mutually guaranteed by the industry according to the contract regulations for the construction project needs.
6. Due to the joint investment relationship, each shareholder endorses/guarantees the company according to their shareholding ratio.

Note 3: The Company, in the normal course of business, provides endorsements/guarantees, the amount of which corresponds to the higher of the total purchases or sales between the Company and the guaranteed party during the most recent year or the year-to-date period up to the time of providing the endorsement/guarantee. The total amount of external endorsement and guarantee should not exceed 50% of the net value of the Company, and the amount of endorsement and guarantees for a single enterprise should not exceed 50% of the net value of the Company. For endorsements and guarantees between companies in which the Company and its subsidiaries directly and indirectly hold over 90% of the voting shares, the Amount shall not exceed 10% of the net value of the Company. However, guarantees between companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to this limitation. The total amount of endorsement and guarantee that The Company and subsidiaries can provide shall not exceed 50% of the net value of The Company, and the amount of endorsement and guarantee that The Company and subsidiaries can provide for a single enterprise shall not exceed 50% of the net value of The Company. The net value is based on the most recent financial statements audited or reviewed by the auditor.

Note 4: The maximum balance endorsed/guaranteed for others in the year.

Note 5: By the end of the year, whenever the company signs endorsement or guarantee contracts or bills with the bank, it assumes the endorsement or guarantee responsibility. Besides, any other endorsements or guarantees should be included in the balance of endorsements and guarantees.

Note 6: The endorsee company should input the Actual Amount Used within the Scope of Review for the use of endorsement guarantee balance.

Note 7: Fill in "Y" for listed parent companies guaranteeing subsidiaries guaranteeing listed parent companies, and guarantors in Mainland China.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

TABLE 3

Major Marketable Securities Held at Period-End (Excluding Investments in Subsidiaries, Associates, and Joint Ventures):

Holding company	Type of Marketable Security (Note 1)	Name of Marketable Security (Note 1)	Relationship with the Company (Note 2)	Accounts in books	End of period				Note
					Shares (thousand shares)	Carrying amount (Note 3)	Ownership Percentage	Fair value	
The Company	TWSE/TPEX-listed Stock	He Chin Precision Machinery Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,534	\$38,263	1.44%	\$38,263	
The Company	TWSE/TPEX-listed Stock	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	2	\$380	Under 0.01%	\$380	

Note 1: Securities as stated in this table are the stocks, bonds, beneficiary certificates, and the securities deriving from the above items within the scope of IFRS 9, "Financial Instruments."

Note 2: For securities measured at fair value, the carrying amount should reflect the fair value after adjustments and net of accumulated impairment.

Note 3: For those measured at fair value, the carrying amount should be adjusted for fair value and net of accumulated impairment; for those not measured at fair value, the carrying amount should be based on acquisition cost or amortized cost, net of accumulated impairment.

Note 4: If any of the listed securities are pledged as collateral, used for secured loans, or are otherwise restricted by contractual terms, a note should be made in the remarks column indicating the number of shares pledged or loaned, the related amounts, and the nature of the restriction.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

TABLE 4

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-up capital:

Buyer/Seller	Counterparty	Relationship	Transaction Details				Payment Terms and Reason for Abnormal Transaction (Note 1)		Accounts/Bills Receivable or Payable		Note (Note 2)
			Purchase (Sale)	Amount	% to Total Purchases or Sales	Payment term	Unit Price	Payment term	Ending Balance	% to Total Bills/Accounts Receivable or Payable	
Ping Ho Environmental Technology Co., Ltd.	Feng Jia Industrial Co., Ltd.	Subsidiary	Purchase	\$123,938	53.82%	30 days	-	-	\$17,041	36.61%	

Note 1: If the payment terms of the related party transactions differ from the general terms, the differences and reasons should be explained in the price and credit period sections.

Note 2: If there are advanced receipts (prepayments) conditions, the reasons, contract terms, amount, and differences with general transaction types should be stated in the "Remarks" column.

Note 3: Paid-up Capital refers to the paid-up capital of the Parent. For the issuer whose stocks have no par value or the par value per share is not NT\$10, the rule concerning 20% of the paid-in capital transaction amount, is calculated based on 10% of the equity attributable to owners of the parent as stated on the balance sheet.

Notes to the Parent Company Only Financial Statements of Ping Ho Environmental Technology Co., Ltd. (Continued)
(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

TABLE 5

Name, Location...etc. of invested companies (excluding those in the Mainland China):

Name of investors	Investee Company Name	Location	Primary Business Activities	Original Investment Amount		Balance at the end of the period			Net Profit or Loss of the Investee (Note 2)	The Company's Investment Income (Loss) (Note 2 (3))	Note
				December 31, 2024	December 31, 2023	Number of shares	Percentage	Book value			
Ping Ho Environmental Technology Co., Ltd.	Ping Ho Materials Technology Co., Ltd.	Taiwan, Republic of China	Wastewater Treatment	\$680,630	\$260,630	60,962,425	98.33%	\$544,024	(\$24,267)	(\$23,208)	Subsidiary (Note 3)
Ping Ho Environmental Technology Co., Ltd.	Ching Jin Industrial Co., Ltd.	Taiwan, Republic of China	Waste Transportation Industry	\$20,307	\$20,307	2,470,000	100.00%	\$48,176	\$15,562	\$15,562	Subsidiary (Note 4)
Ping Ho Environmental Technology Co., Ltd.	Wan Jing Industrial Co., Ltd.	Taiwan, Republic of China	Waste Transportation Industry	\$4,449	\$4,449	900,000	100.00%	\$16,905	\$5,236	\$5,236	Subsidiary (Note 4)
Ping Ho Environmental Technology Co., Ltd.	Feng Jia Industrial Co., Ltd.	Taiwan, Republic of China	Manufacture and wholesale of chemical raw materials	\$47,544	\$47,544	6,351,000	100.00%	\$112,049	\$28,691	\$28,691	Subsidiary (Note 4)
Ping Ho Environmental Technology Co., Ltd.	Greenstone Applied Materials Co., Ltd.	Taiwan, Republic of China	Manufacture of chemical raw materials	\$2,200	\$-	220,000	20.00%	\$2,083	(\$586)	(\$117)	Associate

Note 1: If a publicly issued company has a foreign holding company and the consolidated financial statements are the main financial statements according to local regulations, the disclosure of the information of the foreign investee can be limited to the information related to that holding company.

Note 2: For those not falling under (Note 1), fill in according to the following provisions:

- (1) The columns such as "Name of the Invested Company", "Location", "Main Businesses and Products", "Original Investment Amount", and "Shareholding Status at the End of the Period" should be completed in sequence according to the investment situation of our (publicly issued) company and the reinvestment situation of each invested company directly or indirectly controlled. The relationship between each invested company and our (publicly issued) company (such as subsidiaries or grandchild companies) should be indicated in the "Remarks" column.
- (2) The column 'Net Profit or Loss of the Investee' should be filled with the current profit (loss) amount of each investee.
- (3) The column "Investment Income (Loss)" only needs to be filled out with the loss and profit amounts of each subsidiary that the company (publicly listed) directly invests in and each investee company valued by the equity method, and the rest can be exempted. When filling out the "Amount of Current Profit or Loss of each Subsidiary Directly Reinvested", it should be confirmed that the amount of current profit or loss of each subsidiary has included the investment profit or loss that should be recognized according to the regulations on its reinvestment.

Note 3: Including unrealized profit (loss) among affiliated companies.

Note 4: The business has been eliminated when the consolidated statements are prepared.

Details of Significant Accounts Table

Item	Page
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Ping Ho Environmental Technology Co., Ltd.

1. Cash and cash equivalents detail statement

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Petty cash		\$60	
Cash in banks:			
NTD deposits		193,215	
Total		<u>\$193,275</u>	

Ping Ho Environmental Technology Co., Ltd.
2. Financial assets at fair value through profit or loss - current
December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item of FINANCIAL INSTRUMENTS	Summary	Number of Shares	Par Value	Total amount	Interest Rate	Acquisition cost	Fair value		Change in Fair Value Attributable to Credit Risk Movements	Note
							Unit price (NTD)	Total amount		
He Chin Precision Machinery Co., Ltd.	TWSE/TPEX-listed Stock	1,533,598	\$10	\$15,336	-	\$49,121	\$24.95	\$38,263	-	
Evergreen Marine Corp.	TWSE/TPEX-listed Stock	2,000	\$10	20	-	375	\$190.00	380	-	
Total				<u>\$15,356</u>		<u>\$49,496</u>		<u>\$38,643</u>		

Ping Ho Environmental Technology Co., Ltd.

Current financial assets at amortized cost

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Name	Summary	Amount	Note
Taichung Bank - Kaohsiung Branch	Time deposits	<u>\$8,000</u>	

Ping Ho Environmental Technology Co., Ltd.

4. Details of Bills Receivable, Net

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Customer Name	Summary	Amount	Note
C1002	Wastewater Treatment	\$5,171	
C1001	Wastewater Treatment	3,015	
C2025	Wastewater Treatment	1,407	
C2029	Wastewater Treatment	1,253	
C1003	Wastewater Treatment	1,223	
C1010	Wastewater Treatment	1,111	
C2017	Wastewater Treatment	1,043	
Other (Note)		4,785	
Less: Loss allowance		(-)	
Net		<u>\$19,008</u>	

(Note): The individual balances included do not exceed 5% of the bills receivable balance.

Ping Ho Environmental Technology Co., Ltd.

5. Details of Accounts Receivable, Net

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Customer Name	Summary	Amount	Note
C4001	Wastewater Treatment	\$20,673	
C1002	Wastewater Treatment	5,928	
C1006	Wastewater Treatment	5,055	
C1013	Wastewater Treatment	3,862	
C1012	Wastewater Treatment	3,417	
Other (Note)		26,927	
Subtotal		65,862	
Less: Loss allowance		(745)	
Net		<u>\$65,117</u>	

(Note): The individual balances included do not exceed 5% of the accounts receivable balance.

Ping Ho Environmental Technology Co., Ltd.

6. Details of Accounts Receivable - Related Parties

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Customer Name	Summary	Amount	Note
Ching Jin Industrial Co., Ltd.	Wastewater Treatment	\$350	
Wan Jing Industrial Co., Ltd.	Waste acid recycling treatment	1,143	
Feng Jia Industrial Co., Ltd.	Manufacturing and sales of wastewater Treatment Chemicals and Consumables	11	
Total		<u>\$1,504</u>	

Ping Ho Environmental Technology Co., Ltd.

7. Details of Other Receivables

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Other receivables - interest receivable	Interest revenue	\$8	
Other receivables - others	Rental and electricity income	3	
Total		<u>\$11</u>	

Ping Ho Environmental Technology Co., Ltd.

8. Details of Other Receivables - Related Parties

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Ping Ho Materials Technology Co., Ltd.	Service income	\$32	
Ching Jin Industrial Co., Ltd.	Service income	6	
Wan Jing Industrial Co., Ltd.	Service income	4	
Feng Jia Industrial Co., Ltd.	Service income	11	
Total		<u>\$53</u>	

Ping Ho Environmental Technology Co., Ltd.

9. Details of INVENTORIES

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Cost	Net realizable value	Note
Raw materials	\$1,341	\$1,341	
Semi-finished goods	140	25	
Subtotal	1,481	<u>\$1,366</u>	
Less: Inventory valuation loss	(115)		
Net	<u>\$1,366</u>		

Ping Ho Environmental Technology Co., Ltd.

10. Details of Prepayments

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Amount	Note
Prepayments for repair work	\$5,404	
Other (Note)	497	
Total	<u>\$5,901</u>	

(Note): The individual balances included do not exceed 5% of the Prepayments balance.

Ping Ho Environmental Technology Co., Ltd.
11. Details of changes in investments accounted for using equity method
December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Investee Company	Beginning balance		Additions		Decrease this period		Investment Income (Loss)	Ending balance			Market value or equity net value		Situations involving pledged or collateralized securities	Note
	Shares (thousand shares)	Amount	Shares (thousand shares)	Amount	Shares (thousand shares)	Amount	Amount	Shares (thousand shares)	Percentage of Ownership	Amount	Unit Price	Total Amount		
Ping Ho Materials Technology Co., Ltd.	18,963	\$148,969	42,000	\$420,000	-	(\$1,737)	(\$23,208)	60,963	98.33%	\$544,024	-	\$544,024	None	Note 1
Ching Jin Industrial Co., Ltd.	2,470	50,664	-	-	-	(18,050)	15,562	2,470	100.00%	48,176	-	\$48,176	None	Note 2
Wan Jing Industrial Co., Ltd.	900	14,941	-	-	-	(3,272)	5,236	900	100.00%	16,905	-	\$16,905	None	Note 3
Feng Jia Industrial Co., Ltd.	6,351	107,945	-	-	-	(24,587)	28,691	6,351	100.00%	112,049	-	\$112,049	None	Note 4
Greenstone Applied Materials Co., Ltd.	-	-	220	2,200	-	-	(117)	220	20.00%	2,083	-	\$2,083	None	Note 5
Total		<u>\$322,519</u>		<u>\$422,200</u>		<u>(\$47,646)</u>	<u>\$26,164</u>			<u>\$723,237</u>				

Note 1: Additions this period were due to a new investment of NT\$420,000 thousand; decrease this period was due to an adjustment decrease of NT\$1,737 thousand for failure to subscribe for new shares issued in proportion to shareholding.

Note 2: Decrease this period was due to the Investee Company distributing cash dividends to shareholders of NT\$18,050 thousand.

Note 3: Decrease this period was due to the Investee Company distributing cash dividends to shareholders of NT\$3,272 thousand.

Note 4: Decrease this period was due to the Investee Company distributing cash dividends to shareholders of NT\$24,587 thousand.

Note 5: Additions this period were due to a new investment of NT\$2,200 thousand.

Ping Ho Environmental Technology Co., Ltd.

12. Details of Other Noncurrent Assets

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Refundable deposits	Performance guarantee deposit for entrusted operation and maintenance projects, etc.	\$16,541	
Prepayments for equipment	Prepayments for equipment acquisition	6,781	
Total		<u>\$23,322</u>	

Ping Ho Environmental Technology Co., Ltd.

13. Details of Notes Payable

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Vendor Name	Summary	Amount	Note
S3031	Substitute operation service	\$964	
S3042	Repair work for Wastewater Treatment Engineering	644	
S5005	Wastewater Testing Services	495	
S1004	Consumables for Wastewater Testing Services	358	
S3059	Repair work for Wastewater Treatment Engineering	257	
S3019	Repair work for Wastewater Treatment Engineering	249	
S3039	Consumables for Wastewater Testing Services	220	
Other (Note)		1,033	
Total		<u>\$4,220</u>	

(Note): The individual balances included do not exceed 5% of the notes payable balance.

Ping Ho Environmental Technology Co., Ltd.

14. Details of Accounts Payable - Related Parties

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Vendor Name	Summary	Amount	Note
Feng Jia Industrial Co., Ltd.	Procurement of chemical agents	<u>\$17,041</u>	

Ping Ho Environmental Technology Co., Ltd.

15. Details of Other Payables

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Salary payable	Salary payable, bonus, profit sharing bonus to employees, and compensation to directors	\$29,867	
Other payables	Labor health insurance premiums payable and utilities expenses payable	25,892	
Total		<u>\$55,759</u>	

Ping Ho Environmental Technology Co., Ltd.

16. Details of Other Payables - Related Parties

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Vendor Name	Summary	Amount	Note
Ching Jin Industrial Co., Ltd.	Other cleaning and removal fees	\$6,634	
Wan Jing Industrial Co., Ltd.	Waste activated carbon removal	2,079	
Feng Jia Industrial Co., Ltd.	Procurement of experimental agents	2,668	
Yung Herng Engineering Co., Ltd.	Equipment procurement and maintenance	1,667	
Total		<u>\$13,048</u>	

Ping Ho Environmental Technology Co., Ltd.

17. Details of Income Tax Payable

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Current income tax liabilities	Corporate income tax for the year ended December 2025	<u>\$12,754</u>	

Ping Ho Environmental Technology Co., Ltd.

18. Details of Other Current Liabilities

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Collections	Withholding employee and other INCOME TAX, temporary receipts	<u>\$72</u>	

Ping Ho Environmental Technology Co., Ltd.

19. Details of Bonds Payable

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Name of Bond	Trustee	Issuance date	Interest payment date	Interest Rate	Amount					Repayment Method	Collateral Situation	Note
					Total Amount	Amount repaid	Ending balance	Unamortized Premium (Discount)	Book value			
First domestic secured convertible bonds	Taichung Commercial Bank Co., Ltd.	May 8, 2025	-	0%	\$350,000	\$-	\$350,000	(\$19,203)	\$330,797	Note 1	Note 2	

Note 1: (Please refer to the Notes to the Parent Company Only Financial Statements) (Note 6).11.

Note 2: The Company has appointed Taichung Commercial Bank Co., Ltd. as the guarantee bank for its corporate bonds and provided collateral in the form of financial assets at amortized costs and PROPERTY, PLANT AND EQUIPMENT.

Ping Ho Environmental Technology Co., Ltd.

20. Details of Net Revenue

January 1 to December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Quantity Unit: Ton

Item	Quantity	Amount	Note
Income from Wastewater Treatment	507,993 tons	\$428,049	
Other (Note)		81,118	
Subtotal		<u>509,167</u>	
Less: Sales returns and allowances		(428)	
Net		<u><u>\$508,739</u></u>	

Note: Substitute operation service income for wastewater treatment plants

Ping Ho Environmental Technology Co., Ltd.

21. Details of Cost of Revenue

January 1 to December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Wastewater Treatment section:	
This period's intake	\$104,628
Additions: Beginning balance of inventory	1,399
Less: Inventory at the end of the period	(1,341)
This period's material consumption	104,686
Direct labor	19,068
Manufacturing expenses	198,306
Wastewater Treatment Cost	322,060
Additions: Beginning Balance of Work in process	-
Transfers of semi-finished goods	8,485
Less: Work in process at the end of the period	-
Transfers of semi-finished goods	(8,687)
Finished goods cost	321,858
Selling semi-finished goods	
Additions: Beginning balance of semi-finished goods	182
Transfers of semi-finished goods	8,687
Less: Semi-finished goods at the end of the period	(140)
Transfers of semi-finished goods to work in process	(8,485)
Selling semi-finished goods	244
Other operating costs	(14)
Cost of Revenue - Self-manufactured	\$322,088

Ping Ho Environmental Technology Co., Ltd.

22. Details of Operating Expenses

January 1 to December 31, 2025

Unit: In Thousands of New Taiwan Dollars

Item	Administrative expenses	Research and development
Salary	\$28,130	\$6,974
Labor service fees	3,228	-
Entertainment expenses	2,397	-
Insurance fees	2,041	889
Consumables	28	1,859
Depreciation	302	1,290
Others (Note)	14,586	2,054
Total	<u>\$50,712</u>	<u>\$13,066</u>

(Note): The individual amounts included do not exceed NT\$1,000,000.