# ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT SEPTEMBER 30, 2024 AND 2023

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



#### INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ECOVE ENVIRONMENT CORP.

#### Introduction

We have reviewed the accompanying consolidated balance sheets of ECOVE Environment Corp. and subsidiaries (the "Group") as at September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

#### Scope of Review

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

### **Basis for Qualified Conclusion**

As explained in Notes 4(3)B and 6(7), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Total assets of these subsidiaries and investments accounted for using equity method amounted to NT\$1,779,063 thousand and NT\$ 1,738,102 thousand, constituting 14% and 13% of the consolidated total assets as at September 30, 2024 and 2023, respectively, total liabilities amounted to NT\$292,978 thousand and NT\$338,537 thousand, both constituting 5% of the consolidated total iabilities as at September 30, 2024 and 2023, respectively, and total comprehensive income amounted to NT\$110,910 thousand, NT\$107,681 thousand, NT\$383,481 thousand and NT\$380,222 thousand, constituting 30%, 28%, 33% and 33% of the consolidated total comprehensive income for the three months and nine months then ended, respectively.

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#### **Qualified** Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the

"Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34,"Interim Financial Reporting"that came into effect as endorsed by the Financial Supervisory Commission.

Ju-Ming, Liao

Lin, Yi-Fan

Liao, Fu-Ming For and on Behalf of PricewaterhouseCoopers, Taiwan November 4, 2024

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

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

			September 30, 2024				ý 1 21 20		September 30, 2023		
	Assets	Notes		AMOUNT	<u>924</u> %		December 31, 20 AMOUNT	<u>)23</u> %		AMOUNT	<u>023</u> %
	Current assets										
1100	Cash and cash equivalents	6(1)	\$	1,829,397	14	\$	1,663,477	13	\$	1,022,238	8
1110	Financial assets at fair value	6(2)		, ,		·	, ,			, ,	
	through profit or loss - current			431,280	3		1,033,535	8		1,325,520	10
1120	Current financial assets at fair	6(3)		,						, ,	
	value through other										
	comprehensive income			107,991	1		115,601	1		109,307	1
1136	Current financial assets at	6(4) and 8									
	amortised cost			138,333	1		288,496	2		466,204	4
1140	Current contract assets	6(23) and 7		1,199,219	9		866,155	6		1,070,045	8
1150	Notes receivable, net			-	-		6	-		-	-
1170	Accounts receivable, net	6(5)		980,685	8		942,411	7		925,460	7
1180	Accounts receivable - related	7									
	parties, net			37,818	-		11,773	-		45,210	-
1200	Other receivables			4,621	-		5,777	-		5,444	-
1210	Other receivables - related	7									
	parties			98	-		157	-		198	-
1220	Current tax assets			10,759	-		7,953	-		-	-
130X	Inventories			91,698	1		103,512	1		94,894	1
1410	Prepayments	6(6)		157,729	1		91,937	1		178,637	1
11XX	Total current assets			4,989,628	38		5,130,790	39		5,243,157	40
	Non-current assets										
1517	Non-current financial assets at	6(3)									
	fair value through other										
	comprehensive income			147,947	1		120,624	1		70,346	-
1560	Non-current contract assets	6(23)		51,014	1		-	-		-	-
1550	Investments accounted for	6(7)									
	using equity method			804,602	6		824,288	7		784,241	6
1600	Property, plant and equipment,	6(8) and 8									
	net			4,388,002	34		4,472,310	34		4,467,250	34
1755	Right-of-use assets	6(9)		249,312	2		289,983	2		298,972	2
1780	Intangible assets	6(10)		853,115	7		896,571	7		910,852	7
1840	Deferred income tax assets			40,540	-		39,406	-		38,397	-
1900	Other non-current assets	6(11), 7 and 8		1,465,250	11		1,309,330	10		1,454,398	11
15XX	Total non-current assets			7,999,782	62		7,952,512	61		8,024,456	60
1XXX	Total assets		\$	12,989,410	100	\$	13,083,302	100	\$	13,267,613	100

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES <u>CONSOLIDATED BALANCE SHEETS</u> <u>SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023</u> (Expressed in thousands of New Taiwan dollars)

(Continued)

				September 30, 20			December 31, 20		September 30,	2023
	Liabilities and Equity	Notes		AMOUNT	%		AMOUNT	%	AMOUNT	%
	Current liabilities									
2100	Short-term borrowings	6(12)	\$	455,000	4	\$	-	-	\$ 275,000	2
2110	Short-term notes and bills	6(13)								
	payable			-	-		19,983	-	-	-
2130	Current contract liabilities	6(23) and 7		54,386	-		147,541	1	184,003	1
2150	Notes payable			11,616	-		1,643	-	4,753	-
2170	Accounts payable	6(14)		1,544,565	12		1,399,199	11	1,463,575	11
2180	Accounts payable - related parties	7		81,361	1		56,090	1	72,560	1
2200	Other payables	6(15)		371,815	3		492,201	4	383,865	3
2200	Other payables - related parties				3		492,201 8,878	4	267,824	
		/		15,189	-			-		2
2230	Income tax liabilities	7		127,385	1		299,100	2	240,482	2
2280	Current lease liabilities	7		35,792	-		39,614	-	35,524	-
2399	Other current liabilities, others			1,940	-		9,907	-	20,556	-
21XX	Total current liabilities			2,699,049	21		2,474,156	19	2,948,142	22
	Non-current liabilities									
2527	Non-current contract liabilities			248,344	2		495,750	4	512,444	4
2530	Bonds payable	6(16)		1,995,812	15		1,993,916	15	1,993,277	15
2570	Deferred income tax liabilities			68,238	1		107,350	1	108,335	1
2580	Non-current lease liabilities	7		212,083	2		241,038	2	251,875	2
2600	Other non-current liabilities	6(17)		953,437	7		954,441	7	916,955	7
25XX	Total non-current									
	liabilities			3,477,914	27		3,792,495	29	3,782,886	29
2XXX	Total liabilities			6,176,963	48		6,266,651	48	6,731,028	51
	Equity attributable to owners of	1					<u> </u>		i	
	parent									
	Share capital	6(20)								
3110	Common stock			721,588	6		715,590	6	710,844	5
3140	Advance receipts for share			,	Ũ		, 10,000	Ũ	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	capital			1,016	-		589	-	4,172	-
	Capital surplus	6(21)		1,010			207		1,172	
3200	Capital surplus	0(=1)		2,890,851	22		2,786,873	21	2,761,250	21
5200	Retained earnings	6(22)		2,000,001			2,700,075	21	2,701,230	21
3310	Legal reserve	0(22)		1,160,704	9		1,045,141	8	1,045,141	8
3350	Unappropriated retained			1,100,704	)		1,040,141	0	1,045,141	0
5550	earnings			1,548,700	12		1,727,596	13	1,515,078	12
	Other equity interest			1,540,700	12		1,727,590	15	1,515,078	12
3400	Other equity interest			75,046			46,943		71,932	
3500		6(20)	(		-	,		-		-
	Treasury shares	6(20)	(	57)		(	57)		(57	)
31XX	Equity attributable to			6 207 040	10		6 000 675	10	< 100 0K0	10
0 (3/3/	owners of the parent	4(2)		6,397,848	49		6,322,675	48	6,108,360	46
36XX	Non-controlling interest	4(3)		414,599	3		493,976	4	428,225	3
3XXX	Total equity			6,812,447	52		6,816,651	52	6,536,585	49
	Significant contingent liabilities	9								
	and unrecognized contract									
	commitments									
3X2X	Total liabilities and equity		\$	12,989,410	100	\$	13,083,302	100	\$ 13,267,613	100

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES <u>CONSOLIDATED BALANCE SHEETS</u> <u>SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023</u> (Expressed in thousands of New Taiwan dollars)

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

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME <u>NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023</u> (Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

4000 5000 5900 6200	Items Operating revenue Operating costs	Notes 6(23) and 7	2024 AMOUNT	%	2023		2024		2023	
5000 5900	Operating revenue		AMOUNT	0/						
5000 5900		6(73) and 7			AMOUNT	%	AMOUNT	%	AMOUNT	%
		6(28)(29) and	\$ 2,291,614		\$ 2,073,854	100	\$ 6,344,055	100	\$ 5,850,126	100
		7	( 1,801,827)	( <u>79</u> ) (	1,612,410) (	(-78)	(4,955,541)	(-78)	(4,528,915)	
6200	Gross profit	((29)(20) = 1	489,787	21	461,444	22	1,388,514	22	1,321,211	22
6200	Operating expenses	6(28)(29) and 7								
	General and administrative expenses		( 46,616)	( <u>2</u> ) (	41,418) (	( <u>2</u> ) (	( 126,260)	( <u>2</u> )	( 119,736)	( 2)
6000	Total operating expenses		( 46,616)	(2)(		( 2)(				· · · · · · · · · · · · · · · · · · ·
6900	Operating profit		443,171	19	420,026	20	1,262,254	20	1,201,475	20
0,00	Non-operating income and expenses				120,020		1,202,231			
7100	Interest income	6(24) and 7	4,396	-	2,846	_	15,669	_	9,427	
7010	Other income	6(25) and 7	17,445	1	2,840 8,921	1	33,742	- 1	21,386	
7020	Other gains and losses	6(26)	2,690	-	5,057	-	16,616	-	12,990	-
7050	Finance costs	6(27) and 7	( 6,138)	- (	8,603)	- (		-		
7060	Share of profit of associates and joint ventures accounted	6(7)	( 0,100)	(	0,000)	·	( 10,200)		( 20,010)	
7000	for using equity method Total non-operating income		6,873		22,456	1	55,691	1	84,484	2
/000	and expenses		25,266	1	30,677	2	105,432	2	104,469	2
7900	Profit before income tax		468,437	20	450,703	22	1,367,686	22	1,305,944	22
7950	Income tax expense	6(30)	( 74,657)	( <u>3</u> ) (	81,300) (	( 4) (	( 231,986)	$(\underline{4})$	(1,305,944)	
8200	Profit for the period	0(00)	\$ 393,780		\$ 369,403	18	\$ 1,135,700	18	\$ 1,108,068	19
	Other comprehensive income		<u> </u>		\$ 507,105		φ 1,100,700		<u> </u>	
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other									
	comprehensive income Components of other		(\$ 6,297)	- (	\$ 18,048) (	( 1)(	(\$ 7,610)	-	\$ 16,024	-
	comprehensive income that will									
	be reclassified to profit or loss									
8361	Cumulative translation differences of foreign									
	operations		( 12,116)	( <u>1</u> )	39,762	2	44,284		44,710	1
8300	Total other comprehensive									
	income (loss) for the period		( <u>\$ 18,413</u> )	( <u>1</u> )	\$ 21,714	1	\$ 36,674		\$ 60,734	1
8500	Total comprehensive income for									
	the period		<u>\$ 375,367</u>	16	\$ 391,117	19	<u>\$ 1,172,374</u>	18	\$ 1,168,802	20
	Profit attributable to:									
8610	Owners of the parent		\$ 353,189	15	\$ 332,024	16	\$ 981,974	16	\$ 943,139	16
8620	Non-controlling interest		40,591	2	37,379	2	153,726	2	164,929	3
	Total		\$ 393,780	17	\$ 369,403	18	<u>\$ 1,135,700</u>	18	\$ 1,108,068	19
	Comprehensive income									
	attributable to:									
8710	Owners of the parent		\$ 337,953		\$ 348,758	17	\$ 1,010,077	15	\$ 999,026	17
8720	Non-controlling interest		37,414	2	42,359	2	162,297	3	169,776	3
	Total		<u>\$ 375,367</u>	16	\$ 391,117	19	\$ 1,172,374	18	<u>\$ 1,168,802</u>	20
0770	Earnings per share (in dollars):	6(31)	¢		<b>.</b>		<b>.</b>	10 5	<i><b></b></i>	10
9750	Basic earnings per share		\$		\$	4.65		13.64	\$	13.28
9850	Diluted earnings per share		\$	4.87	\$	4.62	\$	13.59	\$	13.20

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

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <u>NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023</u> (Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent           Capital         Retained Earnings         Other Equity Interest								-				
		Ca	apital			Retai	ined Earnings		Other Equ	Unrealised gains				
			Advance receipts					Unappropriated	Cumulative translation differences of	(losses) from financial assets measured at fair value through other comprehensive			Non-controlling	
	Notes	Common stock	for share capital	Capital surplus	Legal reserve	Spe	ecial reserve	retained earnings	foreign operations	income	Treasury shares	Total	interest	Total equity
Nine months ended September 30, 2023 Balance at January 1, 2023		\$ 704,579	\$ 2,334	\$ 2,626,341	\$ 940,121	¢	14,895	\$ 1,622,165	(\$ 345)	\$ 16,362	(\$ 57)	\$ 5,926,395	\$ 502,946	\$ 6,429,341
Profit for the period		\$ 704,379	φ <u>2,334</u>	\$ 2,020,341	\$ 940,121	\$	14,695	943,139	(\$ 545)	\$ 10,302	( <u>\$ 57</u> )	943,139	<u>\$ 502,940</u> 164,929	1,108,068
Other comprehensive income		-	-	-	-		-	945,159	39,863	- 16,024	-	55,887	4,847	60,734
Total comprehensive income							-	943,139	39,803	16,024		999,026	169,776	
	6(22)						-	945,159	39,803	10,024		999,020	109,770	1,168,802
Appropriations of 2022 earnings	6(22)				105 020			( 105.020)						
Legal reserve Reversal of special reserve		-	-	-	105,020	,	- 14,895)	( 105,020) 14,895	-	-	-	-	-	-
Cash dividends		-	-	-	-	(	14,893)	( 960,073)	-	-	-	-	-	-
Share-based payment transactions	6(19)(21)	-	-	6,719	-		-	( 900,073)	-	-	-	( 960,073) 6,719	( 247,804) 26	(1,207,877) 6,745
Employee stock options exercised	6(20)(21)	3,931	4,172	123,083	-		-	-	-	-	-	131,186	- 20	131,186
Employee restricted stocks	6(19)(21)			4,300	-		-	-	-	-	-	4,300	31	4,331
Adjustments of changes in investments accounted for using equity	6(7)	-	-	4,500	-		-	-	-	-	-	4,500	51	4,551
method	0(7)	-	-	807	-		-	-	-	-	-	807	-	807
Advance receipts for share capital transferred to common stock		2,334	( 2,334)	-	-		-	-	-	-	-	-	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)	-		-	-		-	( 28)	-	28	-	-	-	-
Non-controlling interests							-						3,250	3,250
Balance at September 30, 2023		\$ 710,844	\$ 4,172	\$ 2,761,250	\$ 1,045,141	\$	-	\$ 1,515,078	\$ 39,518	\$ 32,414	( <u>\$57</u> )	\$ 6,108,360	\$ 428,225	\$ 6,536,585
Nine months ended September 30, 2024														
Balance at January 1, 2024		\$ 715,590	\$ 589	\$ 2,786,873	\$ 1,045,141	\$	-	\$ 1,727,596	(\$ 1,941)	\$ 48,884	( <u>\$57</u> )	\$ 6,322,675	\$ 493,976	\$ 6,816,651
Profit for the period		-	-	-	-		-	981,974	-	-	-	981,974	153,726	1,135,700
Other comprehensive income							-		35,713	( 7,610)		28,103	8,571	36,674
Total comprehensive income		-	-	-	-		-	981,974	35,713	( 7,610)	-	1,010,077	162,297	1,172,374
Appropriations of 2023 earnings	6(22)													
Legal reserve		-	-	-	115,563		-	( 115,563)		-	-	-	-	-
Cash dividends		-	-	-	-		-	( 1,045,307)	-	-	-	( 1,045,307)	( 241,702)	1,287,009)
Share-based payment transactions	6(19)(21)	-	-	994	-		-	-	-	-	-	994	3	997
Employee stock options exercised	6(20)(21)	5,409	1,016	97,701	-		-	-	-	-	-	104,126	-	104,126
Employee restricted stocks	6(19)(21)	-	-	4,329	-		-	-	-	-	-	4,329	25	4,354
Adjustments of changes in investments accounted for using equity method	6(7)	-	-	954	-		-	-	-	-	-	954	-	954
Advance receipts for share capital transferred to common stock		589	(589)				-							
Balance at September 30, 2024		\$ 721,588	\$ 1,016	\$ 2,890,851	\$ 1,160,704	\$	-	\$ 1,548,700	\$ 33,772	\$ 41,274	( <u>\$57</u> )	\$ 6,397,848	\$ 414,599	\$ 6,812,447

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

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (Expressed in thousands of New Taiwan dollars)

		Nine months end	months ended September 30		
	Notes		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$	1,367,686	\$	1 305 044
Adjustments		Φ	1,307,080	Φ	1,305,944
Adjustments to reconcile profit (loss)					
Impairment loss determined in accordance with	12(2)				
IFRS 9	12(2)		66		
Depreciation	6(8)(28)		274,637		256,135
Depreciation - right-of-use assets	6(9)(28)		36,821		32,953
Amortization	6(28)		49,375		49,515
Interest expense	6(27)		14,359		20,226
Interest expense - lease liability	6(9)(27)		1,927		3,592
Dividend income	6(25)	(	10,568)	(	2,348)
Interest income	6(24)	(	15,669)		9,427)
Salary expense - employee stock options	6(19)(29)	C	997	(	6,745
Salary expense - employee restricted stocks	6(19)(29)		4,354		4,331
Gain on valuation of financial assets	6(2)(26)	(	13,309)	(	13,654)
Gain from lease modification	6(26)	$\left( \right)$	3,316)	(	15,054)
Share of profit of associates and joint ventures	6(7)	(	5,510)		-
accounted for under equity method	0(7)	(	55,691)	(	84,484)
Gain on disposal of property, plant and equipment	6(26)		303)		405)
Changes in operating assets and liabilities	0(20)	C	505)	C	405)
Changes in operating assets and habilities					
Financial assets at fair value through profit or loss			616,487		223,920
Current contract assets		(	384,078)	(	427,839)
Notes receivable, net		C	584,078 )	C	427,839)
Accounts receivable, net		(	38,340)	(	112,104)
Accounts receivable - related parties, net			26,045)		24,486)
Other receivables			138)	C	24,480 ) 2,056
Other receivables - related parties		C	59	(	134)
Inventories			11,814	(	5,787
Prepaid expense		(	65,792)	(	49,427)
Other non-current assets		C	138,774	(	306,724
Changes in operating liabilities			130,774		500,724
Contract liabilities		(	340,561)	(	115,409)
Notes payable		C	9,973	(	93
Accounts payable			145,366		135,731
Accounts payable - related parties			25,271		59,911
Other payables		(	134,771)	(	51,933)
Other payables - related parties		(	6,311	$\left( \right)$	925)
Other current liabilities			9,976	$\left( \right)$	21,792)
Other non-current liabilities		(	5,831)	(	2,619
Cash inflow generated from operations		(	1,619,847	·	1,501,921
Interest received			16,963		6,855
Dividends received			99,896		48,963
Interest paid		(	15,187)	(	23,273)
Income tax paid		(	446,892)		288,281)
Income tax refund		(	11,278	(	59,633
Net cash flows from operating activities			1,285,905		1,305,818
The cash nows nom operating activities			1,200,900		1,000,010

(Continued)

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (Expressed in thousands of New Taiwan dollars)

			Nine months ended September 30							
	Notes		2024		2023					
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from disposal of non-current financial assets at										
fair value through other comprehensive income		\$	-	\$	53					
Proceeds from acquisition of non-current financial assets	12(3)									
at fair value through other comprehensive income		(	27,323)		-					
Decrease (increase) in financial assets at amortized cost			150,163	(	327,871)					
Acquisition of property, plant and equipment	6(8)	(	165,071)	(	183,584)					
Proceeds from disposal of property, plant and equipment			3,002		480					
Decrease in refundable deposits			650		3,953					
Acquisition of intangible assets	6(10)	(	1,185)		-					
Increase in other non-current assets	6(32)	(	306,232)	(	186,906)					
Net cash flows used in investing activities		(	345,996)	(	693,875)					
CASH FLOWS FROM FINANCING ACTIVITIES										
Increase (decrease) in short-term loans			455,000	(	85,000)					
Decrease in short-term notes payable		(	19,983)		-					
Repayment of long-term loans			-	(	52,920)					
Repayment of lease liabilities		(	27,450)	(	35,814)					
Increase in deposits received (shown in other non-current										
liabilities)			1,327		45,730					
Cash dividends paid		(	1,287,009)	(	1,207,877)					
Employee stock options exercised			104,126		131,186					
Increase in non-controlling interests			-		3,250					
Net cash flows used in financing activities		(	773,989)	(	1,201,445)					
Net increase (decrease) in cash and cash equivalents			165,920	(	589,502)					
Cash and cash equivalents at beginning of period			1,663,477		1,611,740					
Cash and cash equivalents at end of period		\$	1,829,397	\$	1,022,238					

# ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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

### 1. HISTORY AND ORGANISATION

- (1) ECOVE Environment Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on December 13, 1999. The consolidated investee-Chang Ting Corporation was incorporated in December, 2005.
- (2) The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in waste management. The Company's shares were issued through an initial public offering on December 3, 2007, and have been listed in the Taiwan OTC market since May 27, 2010.
- (3) CTCI Corporation, the Company's ultimate parent company, holds 53.22% equity interest in the Company as of September 30, 2024.
- 2. <u>THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL</u> <u>STATEMENTS AND PROCEDURES FOR AUTHORIZATION</u>

These consolidated financial statements were authorized for issuance by the Board of Directors on November 4, 2024.

- 3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS
  - (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

	Effective date by
	International Accounting
New Standards, Interpretations and Amendments	Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

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

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

Effection late has

	Effective date by
	International Accounting
New Standards, Interpretations and Amendments	Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025
The above standards and interpretations have no significant impact	to the Group's financial condition
and financial performance based on the Group's assessment.	

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

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

<b>č</b>	
	Effective date by
	International Accounting
New Standards, Interpretations and Amendments	Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets	To be determined by
	•
between an investor and its associate or joint venture'	International Accounting
	Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
1	
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
	· · · · · · · · · · · · · · · · · · ·

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### (1) <u>Compliance statement</u>

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

### (2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.
- (3) Basis of consolidation
  - A. Basis for preparation of consolidated financial statements:
    - (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
    - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
    - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
    - (d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss.

All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

			Owner			
Name of the investor	Name of the investee	Main Activities	September 30, 2024	December 31, 2023	September 30, 2023	Note
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Environmental engineering	100.00	100.00	100.00	
ECOVE Environment Corp.	ECOVE Miaoli Energy Corp.	Environmental engineering	74.999	74.999	74.999	
ECOVE Environment Service Corp.	ECOVE Miaoli Energy Corp.	Environmental engineering	0.001	0.001	0.001	
ECOVE Environment Corp.	ECOVE Environment Service Corp.	Environmental engineering	100.00	100.00	100.00	
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Environmental engineering	100.00	100.00	100.00	
ECOVE Environment Corp.	Yuan Ding Resources Corp.	Environmental engineering	100.00	100.00	100.00	Note 6
ECOVE Environment Service Corp.	SINOGAL-Waste Services Co., Ltd.	Environmental engineering	30.00	30.00	30.00	Note 1 Note 6
ECOVE Environment Service Corp.	ECOVE Environment Services Gangshan Corporation	Environmental engineering	100.00	100.00	100.00	
ECOVE Environment Service Corp.	ECOVE Resource Recycling Corporation	Environmental engineering	95.00	95.00	95.00	Note 2 Note 6
ECOVE Environment Corp.	ECOVE Solvent Recycling Corporation	Environmental engineering	100.00	100.00	90.00	Note 3 Note 4 Note 6
ECOVE Environment Corp.	ECOVE Chiayi Energy Corp	Environmental engineering	50.00	50.00	-	Note 5 Note 7
ECOVE Environment Service Corp.	ECOVE Chiayi Energy Corp	Environmental engineering	25.00	25.00	-	Note 5 Note 7
ECOVE Environment Corp.	ECOVE Solar Energy Corporation	Energy sector	-	100.00	100.00	Note 9

B. Subsidiaries included in the consolidated financial statements:

Newsorth	Numera Calus in an an		Owner	Note		
Name of the investor	Name of the investee	Main Activities	September 30, 2024	December 31, 2023	September 30, 2023	note
ECOVE	ECOVE Solar	Energy sector	100.00	-	-	Note 9
Environment Corp.	Power Corporation					
ECOVE	G.D. International,	Energy sector	100.00	-	-	Note 9
Environment Corp.	LLC.					
ECOVE Solar	ECOVE Solar	Energy sector	-	100.00	100.00	Note 9
Energy Corporation	Power Corporation					
ECOVE Solar	ECOVE South	Energy sector	-	100.00	100.00	Note 8
Energy Corporation	Corporation Ltd.					Note 9
ECOVE Solar	G.D. International,	Energy sector	-	100.00	100.00	Note 9
Energy Corporation	LLC.					
G.D. International,	Lumberton Solar	Energy sector	100.00	100.00	100.00	
LLC.	W2-090, LLC.					

Note 1: Included in the consolidated financial statements due to the Company's control of the subsidiary's finance, operations and personnel.

- Note 2: The Board of Directors of the subsidiary, ECOVE Environment Services Corp., during its meeting in January 2023, resolved to invest and establish ECOVE Resource Recycling Corporation in the amount of \$61,750.
- Note 3: In September 2023, the Company acquired 0.01% equity interest in ECOVE Solvent Recycling Corporation in cash from the subsidiary, ECOVE Environment Services Corp.
- Note 4: The subsidiary, ECOVE Environment Corp., issued 57,330 ordinary shares to the shareholders of ECOVE Solvent Recycling Corp. other than itself on December 29, 2023 and acquired 10% equity interest amounting to \$12,444 in ECOVE Solvent Recycling Corp. as resolved by the Board of Directors in October 2023.
- Note 5: The Board of Directors of the Company, the parent company, CTCI Corp., and the subsidiary, ECOVE Environment Service Corp., resolved to establish ECOVE Chiayi Energy Corp. amounting to \$200,000 in October 2023.
- Note 6: The financial statements of the entity as of and for the nine months ended September 30, 2024 and 2023 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.
- Note 7: The financial statements of the entity as of and for the nine months ended September 30, 2024 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.
- Note 8: The financial statements of the entity as of and for the nine months ended September 30, 2023 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

- Note 9: In June 2024, the Company conducted a simple merger with the subsidiary, ECOVE Solar Energy Corporation and the second-tier subsidiary, ECOVE South Corporation Ltd., in line with the Group restructuring. ECOVE Solar Energy Corporation and ECOVE South Corporation Ltd. were dissolved under the approval of the Ministry of Economic Affairs.
- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group:

As of September 30, 2024, December 31, 2023 and September 30, 2023, the non-controlling interest amounted to \$414,599, \$493,976 and \$428,225, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

				ing interest				
	Principal	 September 30, 2024			December	31, 2023	 September	30, 2023
Name of	place of		Ownership			Ownership		Ownership
subsidiary	business	 Amount	(%)		Amount	(%)	Amount	(%)
ECOVE Miaoli	Taiwan	\$ 211,078	25.00%	\$	254,111	25.00%	\$ 248,038	25.00%
Energy Corp.								
SINOGAL-Waste	Macau	148,616	70.00%		186,770	70.00%	165,519	70.00%
Services Co.,								
Ltd.								

Summarised financial information of the subsidiaries:

#### Balance sheets

		ECOVE Miaoli Energy Corp.							
	Septen	nber 30, 2024	Dece	ember 31, 2023	Sep	tember 30, 2023			
Current assets	\$	490,353	\$	573,197	\$	501,779			
Non-current assets		439,666		576,836		620,179			
Current liabilities	(	45,006)	(	83,824)	(	78,260)			
Non-current liabilities	(	40,701)	()	49,765)	(	51,547)			
Total net assets	\$	844,312	\$	1,016,444	\$	992,151			

		SINOOAL- Waste Berviees Co., Ltd.								
	Septen	nber 30, 2024	Decer	mber 31, 2023	Sept	ember 30, 2023				
Current assets	\$	467,253	\$	533,791	\$	532,251				
Non-current assets		10,909		12,324		11,669				
Current liabilities	(	157,657)	(	178,935)	(	203,610)				
Non-current liabilities	(	108,196)	(	100,366)	(	103,854)				
Total net assets	\$	212,309	\$	266,814	\$	236,456				

# SINOGAL-Waste Services Co., Ltd.

# Statements of comprehensive income

	ECOVE Miaoli Energy Corp.						
	T	ember 30					
		2024		2023			
Revenue	\$	83,286	\$	101,866			
Profit before income tax		35,821		33,476			
Income tax expense	(	7,109)	(	6,596)			
Profit for the period		28,712		26,880			
Total comprehensive income for the period	\$	28,712	\$	26,880			
Comprehensive income attributable to non-controlling interest	\$	7,178	\$	6,721			
Dividends paid to non-controlling interest	\$	62,139	\$	36,799			

	ECOVE Miaoli Energy Corp. Nine months ended September 30							
		2024		2023				
Revenue	\$	231,493	\$	259,179				
Profit before income tax		95,102		96,745				
Income tax expense	(	18,791)	(	18,990)				
Profit for the period		76,311		77,755				
Total comprehensive income for the period	\$	76,311	\$	77,755				
Comprehensive income attributable to								
non-controlling interest	\$	19,078	\$	19,440				
Dividends paid to non-controlling interest	\$	62,139	\$	36,799				

	SINOGAL-Waste Services Co., Ltd.					
	T	hree months end	led Sept	ember 30		
		2024		2023		
Revenue	\$	213,551	\$	181,110		
Profit before income tax		45,191		42,663		
Income tax (expense) benefit	(	98)		314		
Profit for the period		45,093		42,977		
Other comprehensive (loss) income, net of tax	(	4,540)		7,115		
Total comprehensive income for the period	\$	40,553	\$	50,092		
Comprehensive income attributable to						
non-controlling interest	\$	28,387	\$	35,065		

	SINOGAL-Waste Services Co., Ltd. Nine months ended September 30						
		2024	2023				
Revenue	\$	652,473	\$	612,713			
Profit before income tax		190,046		179,806			
Income tax (expense) benefit	(	289)		25,250			
Profit for the period		189,757		205,056			
Other comprehensive income, net of tax		12,243		6,925			
Total comprehensive income for the period	\$	202,000	\$	211,981			
Comprehensive income attributable to							
non-controlling interest	\$	141,400	\$	148,387			
Dividends paid to non-controlling interest	\$	179,554	\$	208,763			

# Statements of cash flows

	ECOVE Miaoli Energy Corp.						
		Nine months ended September 30					
		2024		2023			
Net cash provided by operating activities	\$	88,780	\$	336,512			
Net cash used in financing activities	(	249,879)	(	148,467)			
(Decrease) increase in cash and cash equivalents	(	161,099)		188,045			
Cash and cash equivalents, beginning of period		347,165		50,785			
Cash and cash equivalents, end of period	\$	186,066	\$	238,830			

	SINOGAL-Waste Services Co., Ltd. Nine months ended September 30					
		2024		2023		
Net cash provided by operating activities	\$	122,738	\$	336,554		
Net cash provided (used in) by investing activities		156,653	(	142,242)		
Net cash used in financing activities	(	253,238)	(	315,801)		
Increase (decrease) in cash and cash equivalents		26,153	(	121,489)		
Cash and cash equivalents, beginning of period		37,581		194,477		
Cash and cash equivalents, end of period	\$	63,734	\$	72,988		

#### (4) Pensions

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

#### (5) Income tax

- A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pre-tax income of the interim period, and the related information is disclosed accordingly.
- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognized the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

# 5. <u>CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF</u> <u>ASSUMPTION UNCERTAINTY</u>

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Judgements and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has no critical accounting judgements, estimates and assumption uncertainty.

### 6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	Septe	September 30, 2024 December 31, 2023 September 30, 202						
Cash on hand and revolving funds	\$	10,998	\$	10,958	\$	10,897		
Checking accounts and demand deposits		1,717,326		1,422,542		953,524		
Time deposits		101,073		229,977		57,817		
Total	\$	1,829,397	\$	1,663,477	\$	1,022,238		

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The details of cash and cash equivalents pledged to others are provided in Note 8.
- (2) Financial assets at fair value through profit or loss

Items	_Septer	mber 30, 2024	Dec	ember 31, 2023	S <u>ep</u>	tember 30, 2023
Current items						
Financial assets mandatorily measured						
at fair value through profit or loss						
Beneficiary certificates	\$	430,000	\$	1,029,687	\$	1,319,134
Valuation adjustment		1,280		3,848		6,386
Total	\$	431,280	\$	1,033,535	\$	1,325,520

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three	ee months end	ded September 30		
	2024		2	023	
Financial assets mandatorily measured at fair value through profit or loss Beneficiary certificates Financial assets mandatorily measured at fair value through profit or loss Beneficiary certificates					
Beneficiary certificates	\$	3,868	\$	4,574	
	Nin	e months ende	ed Septem	ber 30	
	2	024	2	023	
Financial assets mandatorily measured at fair value through profit or loss					
Beneficiary certificates	\$	13,309	\$	13,654	

B. Information relating to credit risk is provided in Note 12(2).

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

Items	Septer	nber 30, 2024	Decer	nber 31, 2023	Septer	<u>nber 30, 202</u> 3
Current items:						
Equity instruments						
Listed stocks	\$	96,118	\$	96,118	\$	96,118
Valuation adjustment		11,873		19,483		13,189
Total	\$	107,991	\$	115,601	\$	109,307
Non-current items:						
Equity instruments						
Unlisted stocks	\$	117,425	\$	90,102	\$	50,000
Valuation adjustment		30,522	_	30,522		20,346
Total	\$	147,947	\$	120,624	\$	70,346

A. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30						
		2024		2023			
Equity instruments at fair value through							
other comprehensive income							
Fair value change recognized in							
other comprehensive loss	(\$	6,297)	(\$	18,048)			
Cumulative losses reclassified to							
retained earnings due to derecognition	\$	10,568	\$	2,348			
	1	Nine months end	led Sep	tember 30			
		2024		2023			
Equity instruments at fair value through							
other comprehensive income							
Fair value change recognized in							
other comprehensive (loss) income	( <u>\$</u>	7,610)	\$	16,024			
other comprehensive (loss) income Cumulative losses reclassified to	( <u>\$</u>	7,610)	<u>\$</u>	16,024			
	( <u>\$</u>	7,610)	<u>\$</u> ( <u>\$</u>	<u>    16,024</u> 28)			
Cumulative losses reclassified to	<u>.</u>	7,610)					

- B. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).
- (4) Financial assets at amortized cost

Items	Septemb	er 30, 2024	Decer	nber 31, 2023	Septe	ember 30, 2023
Current items:	¢		Φ	20.000	¢	
Restricted time deposits with original maturity within 3 months	\$	-	\$	30,000	\$	-
Time deposits with original maturity						
over 3 months		138,333		258,496		466,204
	\$	138,333	\$	288,496	\$	466,204

A. The Group has no financial assets at amortized cost pledged to others.

- B. As at September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$138,333, \$288,496 and \$466,204, respectively.
- C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

#### (5) Accounts receivable

	Septem	ber 30, 2024 Decem	ber 31, 2023 Se	eptember 30, 2023
Accounts receivable	\$	806,120 \$	617,924	544,318
Long-term accounts receivable due in one year		174,677	324,533	381,142
Less: Allowance for uncollectible				
accounts	(	112) (	46)	
	\$	980,685 \$	942,411	\$ 925,460

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

	Septer	nber 30, 2024	Decen	nber 31, 2023	Septer	nber 30, 2023
1 to 90 days	\$	768,110	\$	617,924	\$	544,318
91 to 120 days		-		-		-
121 to 180 days		38,010		-		_
	\$	806,120	\$	617,924	\$	544,318

The above ageing analysis was based on invoice date.

- B. As of September 30, 2024, December 31, 2023 and September 30, 2023, accounts receivable were all from contracts with customers.
- C. For details on the long-term accounts receivable due in one year, refer to Note 6(11).
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).
- (6) Prepayments

	Septen	ber 30, 2024	Decem	ber 31, 2023	Septen	nber 30, 2023
Prepayments for material purchases	\$	13,929	\$	15,065	\$	47,013
Sub-contract costs payable		54,273		10,527		13,980
Prepaid rents		8,762		3,482		16,237
Prepaid insurance premiums		29,508		11,856		27,635
Others		51,257		51,007		73,772
	\$	157,729	\$	91,937	\$	178,637

# (7) Investments accounted for using the equity method

			2024			2023		
At January 1		\$		824,288	\$		739,380	
Share of profit or loss of investments a	ccounted							
for using the equity method				55,691			84,484	
Earnings distribution of investments acc	counted							
for using equity method		(		89,328)	(		46,615)	
Changes in capital surplus				954			807	
Changes in other equity items				12,997			6,185	
At September 30		<u>\$</u>		804,602	\$		784,241	
	Septer.	nber 30, 2024	Decer	mber 31, 20	<u>)23</u>	Septer	nber 30, 2023	
Associates:								
CTCI Chemicals Corp.	\$	83,612	\$	88,19	98	\$	83,544	
Boretech Resource Recovery								
Engineering Co., Ltd. (Cayman)		425,219		435,93	34		406,894	
Ever Ecove Corporation		121,059		119,45	55		111,318	
Jing Ding Green Energy Technology								
Co., Ltd.		174,712		180,70	)1		182,485	
	\$	804,602	\$	824,28	38	\$	784,241	

## A. Associates

(a) The basic information of the associate that is material to the Group is as follows:

			Shareholding ration			
	Principal					
Company	place of	September	December 31,	September	Nature of	Method of
name	business	30, 2024	2023	30, 2023	relationship	measurement
Boretech	Cayman	18.47%	18.47%	18.47%	Strategic	Equity method
Resource	Islands				Investment	
Recovery						
Engineering						
Co., Ltd.						
(Cayman)						

(b) The summarised financial information of the associate that is material to the Group is as follows:

# Balance sheet

	Boretech Resource Recovery										
	Engineering Co., Ltd. (Cayman)										
	Septer	<u>mber 30, 202</u> 4	Dece	ember 31, 2023	Sept.	ember 30, 2023					
Current assets	\$	3,720,031	\$	3,022,360	\$	3,053,410					
Non-current assets		1,100,281		854,885		825,080					
Current liabilities	(	2,840,459)	(	1,873,838)	(	2,032,183)					
Non-current liabilities	(	86,055)	(	51,584)	(	51,742)					
Total net assets	\$	1,893,798	\$	1,951,823	\$	1,794,565					
Share in associate's net assets	\$	349,714	\$	360,429	\$	331,389					
Goodwill		75,505		75,505		75,505					
Carrying amount of the associate	\$	425,219	\$	435,934	\$	406,894					

## Statement of comprehensive income

		Boretech Reso Engineering Co. Three months end	, Ltd. (	(Cayman)
		2024		2023
Revenue	\$	1,155,353	\$	1,128,002
(Loss) profit for the period from continuing operations	(	14,166)		61,102
Other comprehensive income, net of tax		40,240		52,781
Total comprehensive income	\$	26,074	\$	113,883
Dividends received from associate	\$	55,248	\$	_

		Boretech Resource Recovery Engineering Co., Ltd. (Cayman)								
		Nine months end	led Sept	tember 30						
		2023								
Revenue	\$	3,452,116	\$	3,070,170						
Profit for the period from continuing operations		155,171		218,675						
Other comprehensive income, net of tax		70,377		33,496						
Total comprehensive income	\$	225,548	\$	252,171						
Dividends received from associate	\$	55,248	\$	28,367						

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$379,383, \$388,354 and \$377,347, respectively.

Three months ended September 30							
	2024		2023				
\$	9,490	\$	11,172				
\$	9,490	\$ 11,172					
Nine months ended September 30							
	2024	2023					
\$	24,869	\$	45,297				
	-		-				
\$	24,869	\$	45,297				
	\$ <u>\$</u> Ni	2024 \$ 9,490 <u>-</u> <u>\$ 9,490</u> <u>Nine months end</u> 2024 \$ 24,869 -					

- B. In the third quarter of 2024 and 2023, the amount of aforementioned investments accounted for using the equity method were based on the investee's financial statements which were not reviewed by independent auditors.
- C. For the year ended December 31, 2023, Ever Ecove Corporation and Jing Ding Green Energy Technology Co., Ltd. were accounted for based on the investees' financial statements audited by other independent auditors.

### (8) Property, plant and equipment

			Buildings	]	Machinery	Tr	ansportation				
	Land	an	d structures	an	d equipment	_	equipment		Others		Total
<u>At January 1, 2024</u>											
Cost	\$ 171,667	\$	17,358	\$	5,644,298	\$	142,557	\$	28,247 \$	5	6,004,127
Accumulated depreciation	 -	(	2,847)	(	1,412,639)	(	99,114)	(	17,217) (		1,531,817)
	\$ 171,667	\$	14,511	\$	4,231,659	\$	43,443	\$	11,030 \$	5	4,472,310
Nine months ended											
September 30, 2024											
Opening net book amount	\$ 171,667	\$	14,511	\$	4,231,659	\$	43,443	\$	11,030 \$	5	4,472,310
Additions	-		-		144,393		19,444		1,234		165,071
Transfers	-		-		8,820		-		-		8,820
Disposals	-		-	(	2,629)		-	(	70) (		2,699)
Depreciation charge	-	(	561)	(	258,950)	(	11,392)	(	3,734) (		274,637)
Net exchange differences	 3,733		-		15,107		55		242		19,137
Closing net book amount	\$ 175,400	\$	13,950	\$	4,138,400	\$	51,550	\$	8,702 \$	5	4,388,002
At September 30, 2024											
Cost	\$ 175,400	\$	17,358	\$	5,809,989	\$	162,056	\$	29,653 \$	5	6,194,456
Accumulated depreciation	 -	(	3,408)	()	1,671,589)	(	110,506)	(	20,951) (		1,806,454)
	\$ 175,400	\$	13,950	\$	4,138,400	\$	51,550	\$	8,702 \$	5	4,388,002

	Land		Buildings d structures		Machinery d equipment		ansportation equipment		Others	Total
At January 1, 2023	 Lunu									 1000
Cost	\$ 171,731	\$	16,792	\$	5,158,880	\$	125,273	\$	26,098	\$ 5,498,774
Accumulated depreciation	 -	(	2,139)	()	1,091,308)	(	89,063)	(	12,866) (	1,195,376)
	\$ 171,731	\$	14,653	\$	4,067,572	\$	36,210	\$	13,232	\$ 4,303,398
Nine months ended										
September 30, 2023										
Opening net book amount	\$ 171,731	\$	14,653	\$	4,067,572	\$	36,210	\$	13,232	\$ 4,303,398
Additions	-		566		167,379		15,228		411	183,584
Transfers	-		-		207,703		-		-	207,703
Disposals	-		-		-		-	(	75) (	75)
Depreciation charge	-	(	521)	(	242,652)	(	9,699)	(	3,263) (	256,135)
Net exchange differences	 5,710				22,834		24		207	28,775
Closing net book amount	\$ 177,441	\$	14,698	\$	4,222,836	\$	41,763	\$	10,512	\$ 4,467,250
At September 30, 2023										
Cost	\$ 177,441	\$	17,358	\$	5,564,868	\$	137,492	\$	26,752	\$ 5,923,911
Accumulated depreciation	 -	(	2,660)	(	1,342,032)	(	95,729)	(	16,240) (	1,456,661)
	\$ 177,441	\$	14,698	\$	4,222,836	\$	41,763	\$	10,512	\$ 4,467,250

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

B. The amount of capitalised interest were \$0 and \$1,754, and the interest rates for capitalisation ranged from 0% and 0.75%~1.85% for the nine months ended September 30, 2024 and 2023, respectively.

C. Transfers pertain to reclassifications from prepayments for business facilities (shown in other non-current assets).

#### (9) <u>Leasing arrangements – lessee</u>

- A. The Group leases various assets including land, buildings, machinery and equipment, and business vehicles. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise staff dormitory. For the three months and nine months ended September 30, 2024 and 2023, payments of lease commitments for short-term leases amounted to \$4,493, \$4,232, \$ 12,864 and \$14,099, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	September 30, 2024 December 31, 202					Septem	ber 30, 2023
	Carr	ying amount	Carry	Carrying amount		nt Carrying amount	
Land	\$	58,372	\$	94,576		\$	79,751
Buildings		182,284		186,9	34		209,451
Transportation equipment		6,224		5,4	51		6,490
Other equipment		2,432	3,0		22		3,280
	\$	249,312	\$	289,9	83	\$	298,972
			Three n	nonths end	led	Septem	ber 30
			2024	-	2023		
		Depr	reciatior	h charge	D	epreciat	tion charge
Land		\$		2,411	\$		3,470
Buildings				5,682			5,854
Transportation equipment				1,336			1,640
Other equipment				875			370
		\$		10,304	\$		11,334
			Nine m	onths end	ed S	Septemb	ber 30
			2024			20	)23
		Depr	reciatior	h charge	D	epreciat	tion charge
Land		\$		9,310	\$		10,387
Buildings				21,160			16,859
Transportation equipment				3,692			4,652
Other equipment				2,659			1,055
		\$		36,821	\$		32,953

D. For the three months and nine months ended September 30, 2024 and 2023, the additions to right-of-use assets were \$108,771, \$47,438, \$133,161 and \$53,141, respectively.

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

	Th	ree months en	ded Septe	mber 30	
		2024	2023		
Items affecting profit or loss					
Interest expense on lease liabilities	\$	761	\$	2,696	
Expense on short-term lease contracts		4,493		4,232	
Expense on leases of low-value assets		305		450	
Expense on variable lease payments		18,640		21,604	
Gain from lease modification		98		-	
	Ni	mber 30			
		2024		2023	
Items affecting profit or loss					
Items affecting profit or loss Interest expense on lease liabilities	\$	1,927	\$	3,592	
	\$	1,927 12,864	\$	3,592 14,099	
Interest expense on lease liabilities	\$	,	\$	,	
Interest expense on lease liabilities Expense on short-term lease contracts	\$	12,864	\$	14,099	

- F. For the nine months ended September 30, 2024 and 2023, the Group's total cash outflow for leases amounted to \$96,365 and \$104,526, respectively.
- G. Variable lease payments
  - (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to electricity production of solar power. Various lease payments that depend on the electricity production of solar power are recognized as costs in the period in which the event or condition that triggers those payments occurs.
  - (b) A 1% increase in electricity production of solar power with such variable lease contracts would increase total lease payments by approximately 1%.

# (10) Intangible assets

					2024			
	F	ranchise	(	Goodwill	Com	puter software		Total
At January 1, 2024 Cost	\$	888,190	\$	136,153	\$	560	\$	1,024,903
Accumulated amortisation and	(	109 205)			(	27)	(	100 220)
impairment	(	128,295)	<u></u>	-	(	<u> </u>	( <u></u>	128,332)
	\$	759,895	\$	136,153	\$	523	\$	896,571
Opening net book amount as at January 1, 2024	\$	759,895	\$	136,153	\$	523	\$	896,571
Additions		-		-		1,185		1,185
Amortisation charge	(	44,409)		_	(	232)	(	44,641)
Closing net book amount as at September 30, 2024	\$	715,486	\$	136,153	\$	1,476	\$	853,115
At September 30, 2024 Cost Accumulated amortisation and	\$	888,190	\$	136,153	\$	1,745	\$	1,026,088
impairment	(	172,704)		-	(	269)	(	172,973)
	\$	715,486	\$	136,153	\$	1,476	\$	853,115
						2023		
			Fra	anchise	G	oodwill	Т	otal
At January 1, 2023								
Cost		\$		888,190	\$	136,153 \$	1,	024,343
Accumulated amortisation and imp	airme	nt (_		69,082)		- (		69,082)
		\$		819,108	\$	136,153 \$		955,261
Opening net book amount as at January 1, 2023		\$		819,108	\$	136,153 \$		955,261
Amortisation charge		(		44,409)		(		44,409)
Closing net book amount as at September 30, 2023		\$		774,699	\$	136,153 \$		910,852
At September 30, 2023								
Cost		\$		888,190	\$	136,153 \$	1,	024,343
Accumulated amortisation and imp	airme	m (_		113,491)		- (		113,491)
		\$		774,699	\$	136,153 \$		910,852

A. Details of amortization on intangible assets are as follows:

	Three months ended September 30					
		2024	2023			
Operating costs	\$	14,894	5 14,8	03		
	Ni	ne months ended	ed September 30			
		2024	2023			
Operating costs	\$	44,641	5 44,4	09		

B. Goodwill which belongs to the operating segments of Taiwan arose from a business combination accounted for by applying the acquisition method and are independent cash-generating units.

C. The subsidiary, ECOVE Environment Services Gangshan Corporation, entered into an investment contract for the Rehabilitate-Operate-Transfer (ROT) with the Kaohsiung City Government on October 28, 2021. The subsidiary participated in the rehabilitation and operation of the refuse incineration plant in Gangshan Dist., Kaohsiung City according to the Act for Promotion of Private Participation in Infrastructure Projects and will return the operating right, rehabilitated operating assets and land of the refuse incineration plant in Gangshan Dist., Kaohsiung City to the Kaohsiung City Government after the term of the contract period expires. The duration of the contract is 15 years after the plant began operation.

The subsidiary, ECOVE Environment Services Gangshan Corporation, should pay royalties and rebates to the Kaohsiung City Government according to the investment contract. Royalties and rebates were calculated by multiplying the tonnage of disposable waste that the subsidiary, ECOVE Environment Services Gangshan Corporation, recovered by the unit price of royalties per ton.

In accordance with the investment contract, the scope of rehabilitation and construction works stipulated in the contract must be completed during the period from the date of operation to December 31, 2025. The total cost of rehabilitation was \$888,190. In accordance with IFRIC 12, 'Service Concession Arrangements', the right to sell electricity and self-collected waste in exchange for provision of construction or performance upgrade services and the rehabilitation cost to be invested in the future were recognized as intangible assets, respectively. Licences of the Company are amortised on a straight-line basis over their estimated useful life of 15 years.

#### (11) Other non-current assets

	Septer	mber 30, 2024 D	ecember 31, 2023	September 30, 2023
Long-term accounts receivable	\$	602,929 \$	885,536	\$ 984,071
Less: Current portion	()	174,677) (	324,533)	(381,142)
		428,252	561,003	602,929
Refundable deposits		30,187	30,837	31,476
Prepayments for business facilities		243,429	117,360	190,169
Restricted bank deposits		220,068	49,559	79,493
Contract fulfillment cost		25,898	34,429	31,707
Prepayments for land purchases		475,380	475,380	475,380
Others		42,036	40,762	43,244
	\$	1,465,250 \$	5 1,309,330	\$ 1,454,398

- A. The Group entered into contracts with certain governments (grantors) for service concession arrangements. The consideration received or receivable from the grantor in respect of the service concession arrangement is recognized at its fair value. Such considerations are recognized as a financial asset based on how the considerations from the grantor to the operator are made as specified in the arrangement. Assets that are expected to be realized within twelve months from the balance sheet date are classified as "accounts receivable" (refer to Note 6(5)); assets that are expected to be realized over twelve months from the balance sheet date are classified as "long-term accounts receivable". The other terms of the agreement are as follows:
  - (a) The subsidiary, ECOVE Wujih Energy Corp., obtained the operation for the construction of Wujih Refuse Incineration Plant by build operate transfer (BOT) mode since April, 2000. In September, 2000, the "Waste incineration, Taichung City commission contract" between ECOVE Wujih Energy Corp. and Taichung City Government had been signed. The operating period is for 20 years starting from September 6, 2004. However, according to the contract, if it is expired in advance or extended during construction or operation, duration of the operation will be deemed to be matured or extended, but not to exceed 50 years. In order to work the "Waste Incineration Taichung City Commission Contract", ECOVE Wujih Energy Corp. obtained the land-use right of Wujih Refuse Incineration Plant. Therefore, duration of the land-use right is from May 23, 2000 to September 5, 2024.
  - (b) The subsidiary, ECOVE Miaoli Energy Corp., obtained the operation for the construction of Miaoli County Refuse Incineration Plant by build - operate - transfer (BOT) mode since August, 2002. In September, 2002, the "Waste Incineration Commission Contract" between ECOVE Miaoli Energy Corp. and Miaoli County Government had been signed. The operating period is for 20 years starting February 29, 2008. However, according to the contract, if it is expired in advance or extended during construction or operation, duration of the operation will be deemed to be matured or extended. In order to work the "Waste Incineration Miaoli County Commission Contract", ECOVE Miaoli Energy Corp. obtained the land-use right of Miaoli Refuse Incineration Plant. Therefore, duration of the land-use right is from September 13, 2002 to February 28, 2028.

- (c) ECOVE Wujih Energy Corp. and ECOVE Miaoli Energy Corp. need to deal with the guarantee tonnage of waste from government according to the contract during the construction or operation.
- (d) Per service cost is calculated and adjusted based on the "Waste Incineration Commission Contract", "Index of Average Regular Earnings of Employees-Manufacturing" and "Consumer Price Index".
- B. For details of the refundable deposits and restricted bank deposits, refer to Note 8.
- C. Contract fulfillment cost refer to the initial reconstruction cost of the refuse incineration plant for the contract that the Company entered into with the owner to operate the plant on its behalf, and it is amortized over the term of the contract.
- D. The prepayment for land purchases arose from the purchase of the land located at Lun Hai Section No. 60-21, Lukang Township, Changhua County, amounting to \$2,376,900 through Industrial Development Bureau, Ministry of Economic Affairs, as resolved by the Board of Directors of the Company's subsidiary, ECOVE Environment Services Corp. on July 19, 2022. The first installment of the land amounting to \$475,380 had been paid on September 6, 2022.

(12) Short-term borrowings

Type of borrowings	September 30, 2024	Interest rate range	Collateral
Secured borrowings	\$ 455,000	$1.826\% \sim 2.386\%$	Note 1, 2
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Secured borrowings	\$ -	-	-
Type of borrowings	September 30, 2023	Interest rate range	Collateral
Secured borrowings	\$ 275,000	$1.66\% \sim 1.78\%$	Note 1, 2

Note 1: The borrowing facilities were 100% jointly guaranteed by ECOVE Environment Corp.

Note 2: The Group has pledged promissory notes as of September 30, 2024, December 31, 2023 and September 30, 2023 amounting to \$1,400,000, \$0 and \$350,000, respectively.

#### (13) Short-term notes and bills payable

	September 30, 2	2024 Decembe	er 31, 2023	September 30, 2023
Commercial paper payable	\$	- \$	20,000	\$ -
Discount on commercial papers payable		- (	17)	
	\$	- \$	19,983	<u>\$</u>
Interest rate		-	1.838%	

The commercial paper payable listed above was guaranteed and issued by Grand Bills Finance Corporation. The commercial paper issued by the Group for guarantee amounted to \$50,000 as of December 31, 2023.

(14) Accounts payable

	Septe	mber 30, 2024	Dece	mber 31, 2023	Septe	ember 30, 2023
Materials payable	\$	60,607	\$	75,718	\$	65,630
Sub-contract costs payable		131,237		237,757		130,208
Incinerator equipment costs payable		232,418		164,825		181,164
Maintenance costs payable		975,717		796,347		945,064
Others		144,586		124,552		141,509
	\$	1,544,565	\$	1,399,199	\$	1,463,575
(15) Other payables						
	Septe:	<u>mber 30, 202</u> 4	Dece	mber 31, 2023	Septe	ember 30, 2023
Accrued payroll	S <u>epte</u> \$	<u>mber 30, 202</u> 4 254,662	Dece \$	<u>mber 31, 2023</u> 347,859	S <u>epte</u> \$	ember 30, 2023 266,207
Accrued payroll Payables on equipment		· · · · · · · · · · · · · · · · · · ·				·
1 0		254,662		347,859		266,207
Payables on equipment		254,662 6,113		347,859 6,947		266,207 3,549
Payables on equipment Insurance payable		254,662 6,113 15,994		347,859 6,947 16,167		266,207 3,549 14,918
Payables on equipment Insurance payable Payables on employees' compensation		254,662 6,113 15,994 17,002		347,859 6,947 16,167 15,164		266,207 3,549 14,918 13,188

### (16) Bonds payable

	Septe	mber 30, 2024 Decen	mber 31, 2023 Septe	mber 30, 2023
Bonds payable	\$	2,000,000 \$	2,000,000 \$	2,000,000
Less: Discount on bonds payable	(	4,188) (	6,084) (	6,723)
	\$	1,995,812 \$	1,993,916 \$	1,993,277

- A. The terms of the domestic unsecured bonds issued by the Company are as follows: In 2021, the Company issued \$1,000,000 and \$1,000,000, with annual fixed interest rate of 0.65% and 0.56%, domestic unsecured bonds, respectively. The bonds both mature 5 years from the issue date (May 27, 2021 ~ May 27, 2026) and will be redeemed at the maturity date. The bonds were approved to be issued by the Taipei Exchange on May 19, 2021.
- B. Interest expense arising from corporate bonds for the three months and nine months ended September 30, 2024 and 2023 were \$3,664, \$3,664, \$10,971 and \$10,971, respectively.

### (17) Other non-current liabilities

	Septen	nber 30, 2024	Decen	nber 31, 2023	Septe	mber 30, 2023
Net defined benefit liability	\$	45,736	\$	47,465	\$	49,653
Accrued recovery costs		327,648		327,122		315,149
Guaranteed deposits received		427,368		426,041		388,397
Deferred revenue		93,877		101,030		109,885
Others		58,808		52,783		53,871
	\$	953,437	\$	954,441	\$	916,955

### A. Accrued recovery cost

- (a) It pertains to the contracts for the operation and maintenance service of refuse incineration plant between the subsidiaries, ECOVE Environment Service Corp. and SINOGAL -Waste Services Co., Ltd., and the grantors, requiring recovery of refuse incineration plant, related machinery and equipment when the contract expires. The Group has estimated the related recovery cost when the service contracts expire and amortizes it over the contract period.
- (b) It pertains to the land lease contracts among ECOVE Solar Energy Corporation, ECOVE Solar Power Corporation, ECOVE South Corporation Ltd., and the landowners, requiring demolition of solar power models and recovery of land when the contract expires. The Group has estimated the related recovery cost when the service contracts expire and amortizes it over the contract period.
- B. The deferred revenue represents cash grants received from the state government of New Jersey for the construction and operation of the Lumberton solar power plant in 2017. The construction period for the solar power plant is 15 years.

### (18) Pensions

A. Defined benefit pension plan

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

- (b) The Group recognized pension expenses of \$2,294, \$1,406, \$4,697 and \$4,267 in the statement of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$4,839.
- B. Defined contribution pension plan
  - (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
  - (b) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2024 and 2023 were \$10,180, \$9,866, \$29,583 and \$28,646, respectively.
  - (c) SINOGAL-Waste Services Co., Ltd. has a funded defined contribution plan, covering all regular employees. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the local government are based on employees' monthly salaries and wages. The pension costs under the defined contribution pension plan for the three months and nine months ended September 30, 2024 and 2023 were \$3,368, \$3,044, \$9,852 and \$8,686, respectively.
- (19) Share-based payment
  - A. For the nine months ended September 30, 2024 and 2023, the Company's share-based payment arrangements were as follows:

Type of		Quantity	Contract	Vesting
arrangement	Grant date	granted	period	conditions
Sixth plan of employee stock options	2018.7.9	1,500 units	6 years	Service of 2~4 years
Seventh plan of employee stock options	2019.7.24	1,500 units	6 years	Service of 2~4 years
Eighth plan of employee stock options	2020.4.13	1,500 units	6 years	Service of 2~4 years

# B. The details of above employee stock options are as follows:

(a) Sixth plan of employee stock options:

	Nine months ended September 30			
	2024		2023	
		Weighted- average		Weighted- average
	No. of units	exercise price	No. of units	exercise price
Stock options	(in thousands)	(in dollars)	(in thousands)	(in dollars)
Options outstanding at				
beginning of period	77	NT\$128.00	263	NT\$133.80
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	_	_	_	_
Options waived	-	-	( 2)	-
Options exercised	( 58)	NT\$128.00	( 172)	NT\$132.12
Options revoked	(19)	-	-	-
Options outstanding at end of period Options exercisable at	<u> </u>	NT\$128.00	89	NT\$128.00
end of period		NT\$128.00	89	NT\$128.00

(b) Seventh plan of employee stock options:

	Nine months ended September 30					
	2	024	20	023		
		Weighted-		Weighted-		
		average		average		
	No. of units	exercise price	No. of units	exercise price		
Stock options	(in thousands)	(in dollars)	(in thousands)	(in dollars)		
Options outstanding at beginning of period Options granted	437	NT\$165.90 -	819	NT\$173.50 -		
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	_	-	_		
Options waived	-	-	( 14)	-		
Options exercised	( 266)	NT\$164.94	( 336)	NT\$168.01		
Options revoked		-		-		
Options outstanding at end of period Options exercisable at	171	NT\$158.20	469	NT\$165.90		
end of period	171	NT\$158.20	469	NT\$165.90		

(c) Eighth plan of employee stock options:

	Nine months ended September 30							
	2	024	2023					
		Weighted-		Weighted-				
		average		average				
	No. of units	exercise price	No. of units	exercise price				
Stock options	(in thousands)	(in dollars)	( <u>in thousands</u> )	(in dollars)				
Options outstanding at								
beginning of period	739	NT\$167.50	1,098	NT\$175.20				
Options granted	-	-	-	-				
Distribution of stock dividends / adjustments								
for number of shares								
granted for one unit								
of option	-	-	-	-				
Options waived	( 10)	-	( 35)	-				
Options exercised	( 317)	NT\$165.82	( 302)	NT\$172.03				
Options revoked		-		-				
Options outstanding at end								
of period	412	NT\$159.70	761	NT\$167.50				
Options exercisable at end		• • • • •	_					
of period	412	NT\$159.70	260	NT\$167.50				

- C. The weighted-average stock price of stock options at exercise dates for the nine months ended September 30, 2024 and 2023 was NT\$301.78 and NT\$294.90 (in dollars), respectively.
- D. As of September 30, 2024, December 31, 2023 and September 30, 2023, the range of exercise prices of stock options outstanding was \$158.20~\$159.70, \$128.00~\$167.50 and \$128.00~\$167.50 (in dollars), respectively; the weighted-average remaining contractual period was as follows:

Type of arrangement	September 30, 2024	December 31, 2023	September 30, 2023
Sixth plan of employee stock options	-	0.5 years	0.75 years
Seventh plan of employee stock options	0.75 years	1.5 years	1.75 years
Eighth plan of employee stock options	1.5 years	2.25 years	2.5 years

E. The fair value of stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Market value (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected duration	Expected dividend yield rate	Risk-free interest rate	Fair value per unit (in dollars)
Sixth plan of employee stock options	2018.7.9	NT\$173.5	NT\$173.5	11.38%~ 12.71%	4~5 years	0%	0.66%~ 0.71%	NT\$ 17.88~ 22.44
Seventh plan of employee stock options	2019.7.24	NT\$212.5	NT\$212.5	10.83%~ 11.00%	4~5 years	0%	0.56%~ 0.58%	NT\$ 20.57~ 23.68
Eighth plan of employee stock options	2020.4.13	NT\$203.0	NT\$203.0	11.58%~ 12.02%	4~5 years	0%	0.41%~ 0.45%	NT\$ 20.26~ 23.79

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

	Three months	s ended September 30
	2024	2023
Equity-settled	(\$	20) \$ 1,659
	Nine months	ended September 30
	2024	2023
Equity-settled	\$ 9	997 \$ 6,745

G. On January 1, 2023 and 2022, the Company's parent company, CTCI Corp., issued restricted stocks to employees, granting 4,150 and 5,500 units (1,000 shares per unit) to the parent company and full-time employees of the Company and its domestic subsidiaries, respectively. For the nine months ended September 30, 2024 and 2023, relative to the aforementioned plan for employee restricted stocks, the Group recognized the labour costs and corresponding capital surplus - employee restricted stocks as follows:

	Three months ended September 30				
	2		2023		
Equity-settled	\$	1,448 \$	1,444		
	Nin	e months ended Septer	led September 30		
	2		2023		
Equity-settled	\$	4,354 \$	4,331		

#### (20) Share capital

A. As of September 30, 2024, the Company's authorised capital was \$1,200,000, consisting of 120 million shares of ordinary stock (including 6 million shares reserved for employee stock options), and the paid-in capital was \$721,588 with a par value of NT\$10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows (Including advance receipts for share capital):

	2024	2023
At January 1	71,617,851	70,691,305
Employee stock options exercised	642,589	810,317
At September 30	72,260,440	71,501,622

- B. As of September 30, 2024, December 31, 2023 and September 30, 2023, the associate of the Group held 276 thousand shares.
- C. On December 29, 2023, the Company issued 57,330 shares of common shares to the shareholders of ECOVE Solvent Recycling Corporation as a consideration for acquiring 10% of common shares. The common shares issued have the same rights as other shares in issue, and the fair value of the shares issued amounted to \$17,686 (NT\$308.5 (in dollars) per share).
- D. The shares of the Company held by the subsidiary, ECOVE Waste Management Corp, were the ordinary shares issued by the Company on December 31, 2020 to acquire the shares of ECOVE Environment Services Corp. from ECOVE Waste Management Corp. through the share swap. As of September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of the shares of the Company held by ECOVE Waste Management Corp. are as follows:

	September 30, 2024				
	Number of shares	Carrying amount			
ECOVE Waste Management Corp.	1,605	\$ 57			
	Decembe	r 31, 2023			
	Number of shares	Carrying amount			
ECOVE Waste Management Corp.	1,605	\$ 57			
	Septembe	er 30, 2023			
	Number of shares	Carrying amount			
ECOVE Waste Management Corp.	1,605	\$ 57			

#### (21) Capital surplus

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

# B. Changes in capital surplus are as follows:

	Share premium	Employee stock options	Employee restricted stocks	Expired employee share options	Changes in equity of associates and joint ventures accounted for using equity method	Total
At January 1, 2024	\$ 2,664,461	\$ 85,252	\$ 9,751	\$ 201	\$ 27,208	\$ 2,786,873
Employee stock options exercised	97,701	-	-	-	-	97,701
Employee restricted stocks	-	-	4,329	-	-	4,329
Share-based payment transaction	-	994	-	-	-	994
Adjustments of changes in investments accounted for using equity method			240		714	954
At September 30, 2024	\$ 2,762,162	\$ 86,246	\$ 14,320	\$ 201	\$ 27,922	\$ 2,890,851
	Share	Employee	Emplo	vee	Changes in equity of associates and joint ventures accounted for using equity	
	premium	stock options	restricted	-	method	Total
At January 1, 2023	\$ 2,515,472	\$ 80,514	\$	3,697	\$ 26,658	\$ 2,626,341
Employee stock options exercised	123,083	-		-	-	123,083
Employee restricted stocks	-	-		4,300	-	4,300
Share-based payment transaction	-	6,719		-	-	6,719
Adjustments of changes in investments accounted for using						-
equity method		10		240	557	807
At September 30, 2023	\$ 2,638,555	\$ 87,243	\$	8,237	\$ 27,215	\$ 2,761,250

### (22) <u>Retained earnings</u>

- A. When net profit occurs in the annual accounts, the Company may, after reserving a sufficient amount of the income before tax to cover the accumulated losses, upon the resolution of the Board of Directors, distribute at least 0.01% of the income before tax as employees' compensation, and distribute no more than 2% of the income before tax as directors' remuneration. The remuneration could be in the form of stock or cash, and the employees' compensation could be distributed to the employees of subsidiaries of the Company under certain conditions. A report of the distribution of employees' compensation or the directors' remuneration shall be submitted to the shareholders at the shareholders' meeting.
- B. The Company shall, after all taxes and dues have been paid and its losses have been covered and at the time of allocating surplus profits, first set aside 10% of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Furthermore, in accordance with the provisions of laws and regulations and the rules prescribed by the central competent authority, a special reserve shall be set aside. If there is recovery of the balance of special reserve, the recovered amount shall be included in the distribution of the profit for the current year.

The allocable profit for the current year, which is the balance after the profit distribution and covering losses aforementioned in the preceding paragraph, together with the undistributed retained earnings accrued from prior years shall be referred to as accumulated distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.

The Board of Directors is authorised by the Company to resolve the distribution of dividends and bonuses, capital reserve or legal reserve in whole or in part in the form of cash by the resolution adopted by the majority vote at its meeting attended by two-thirds of the total number of directors, and reported it to the shareholders.

In order to meet the requirements of business expansion and industry growth, fulfilling future operating needs and stabilizing financial structure is the priority of the Company's dividend policy. Thus, the distribution of the accumulated distributable earnings corresponds with the shareholders' resolutions. The amount of shareholders' bonus shall not be less than 20% of accumulated distributable earnings of the Company, and in particular, cash dividends shall not be less than 5%.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

#### D. Special reserve

- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010028685, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The appropriations of 2023 and 2022 earnings had been resolved at the stockholders' meeting on May 27, 2024 and May 31, 2023, respectively. Details are summarised below:

	 2023	2022		
Set aside as legal reserve	\$ 115,563	\$	105,020	
Reversal of special reserve	-	(	14,895)	
Cash dividends	 1,045,307		960,073	
Total	\$ 1,160,870	\$	1,050,198	

- F. The Company recognized dividends of \$1,045,307 (NT\$14.48619711 per share) and \$960,073 (NT\$13.50609174 per share) in 2023 and 2022, respectively.
- G. For information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, refer to Note 6 (29).

#### (23) Operating revenue

	Three months ended September 30				
	2024		2023		
Revenue from contracts	\$ 2	2,291,614 \$	2,073,854		
	Nine 1	tember 30			
	202	24	2023		
Revenue from contracts	\$ (	5,344,055 \$	5,850,126		

## A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time in the following major geographical regions:

Three months ended								
September 30, 2024		Domestic		Macau	Ur	ited States		Total
Total segment revenue	\$	2,407,585	\$	272,099	\$	25,654	\$	2,705,338
Inter-segment	(	277 4(2)	(	2(2(2))			(	412 704)
revenue	(	377,462)	(	36,262)			(	413,724)
Revenue from								
external customer	¢	2 020 122	¢	725 827	¢	25 654	¢	2 201 614
contracts	\$	2,030,123	\$	235,837	\$	25,654	\$	2,291,614
Timing of revenue								
recognition over					+		+	
a period of time	\$	2,030,123	\$	235,837	\$	25,654	\$	2,291,614
Three months ended								
September 30, 2023		Domestic		Macau	Ur	ited States		Total
Total segment	\$	2,231,709	\$	220,175	\$	8,216	\$	2,460,100
revenue								
Inter-segment								
revenue	(	369,477)	(	16,769)		-	(	386,246)
Revenue from								
external customer								
contracts	\$	1,862,232	\$	203,406	\$	8,216	\$	2,073,854
Timing of revenue								
recognition over								
a period of time	\$	1,862,232	\$	203,406	\$	8,216	\$	2,073,854
Nine months ended								
September 30, 2024		Domestic		Macau	Ur	ited States		Total
Total segment	\$	6,624,605	\$	799,965	\$	99,191	\$	7,523,761
revenue								
Inter-segment								
revenue	(	1,098,484)	(	81,222)		-	(	1,179,706)
Revenue from								
external customer								
contracts	\$	5,526,121	\$	718,743	\$	99,191	\$	6,344,055
Timing of revenue								
recognition over								
a period of time	\$	5,526,121	\$	718,743	\$	99,191	\$	6,344,055

Nine months ended								
September 30, 2023		Domestic		Macau	U	nited States		Total
Total segment revenue	\$	6,132,327	\$	750,913	\$	92,672	\$	6,975,912
Inter-segment revenue	(	1,059,087)	(	66,699)			(	1,125,786)
Revenue from								
external customer contracts	\$	5,073,240	\$	684,214	\$	92,672	\$	5,850,126
Timing of revenue recognition over								
a period of time	\$	5,073,240	\$	684,214	\$	92,672	\$	5,850,126

#### B. Contract assets and liabilities

(a) Contract assets:

	Septe	ember 30, 2024	Decer	mber 31, 2023	Septe	ember 30, 2023
Estimated accounts receivable	\$	1,199,219	\$	866,155	\$	1,070,045
Concession for						
BOT project(Note)		51,014		-		-
	\$	1,250,233	\$	866,155	\$	1,070,045

Note: The contract assets-concession for BOT project pertains to the concession obtained by the second-tier subsidiary, ECOVE Chiayi Energy Corporation, for the construction and operation of the Green Energy Sustainable Circulation Center BOT Project in Chiayi City through the build–operate–transfer (BOT) mode in October 2023. In February 2024, "The Contract for the Green Energy Sustainable Circulation Center BOT Project in Chiayi City" between ECOVE Chiayi Energy Corporation and Chiayi City Government had been signed. The Group recognized the consideration as contract assets during the construction period which will then be reclassified to intangible assets upon the completion of the construction in accordance with IFRIC 12.

#### (b) Contract liabilities:

	Septer	nber 30, 2024	Decen	nber 31, 2023	Septer	mber 30, 2023
Receipts in advance	\$	54,386	\$	147,541	\$	82,312
Construction contract		248,344		495,750		614,135
	\$	302,730	\$	643,291	\$	696,447

(c) Revenue recognized that was included in the contract liability balance at the beginning of the period.

	T	hree months end	led Septe	ember 30
		2024		2023
Receipts in advance	\$	6,068	\$	393
Construction contract		71,945		59,950
	\$	78,013	\$	60,343
	Ν	Vine months end	ed Septe	mber 30
		2024	I	2023
Receipts in advance	\$	139,750	\$	28,184
Construction contract		247,406		155,503
	\$	387,156	\$	183,687
(24) Interest income				
		Three months	ended Ju	ne 30
		2024		2023
Interest income from bank deposits	\$	4,344	\$	2,821
Other interest income		52		25
	\$	4,396	\$	2,846
	Ν	Vine months end	led Septe	mber 30
		2024		2023
Interest income from bank deposits	\$	14,800	\$	9,378
Other interest income		869		49
	\$	15,669	\$	9,427
(25) Other income				
	T	hree months end	led Septe	ember 30
		2024		2023
Income from government grants	\$	3,585	\$	3,518
Income from sale of scraps		2,229		1,682
Dividend income		10,568		2,348
Others		1,063	. <u>.</u>	1,373
	\$	17,445	\$	8,921
	N	Vine months end	ed Septe	mber 30
		2024		2023
Income from government grants	\$	10,667	\$	10,368
Income from sale of scraps		8,378		6,115
Dividend income		10,568		2,348
Others		4,129	<u></u>	2,555
	\$	33,742	\$	21,386

## (26) Other gains and losses

		Three months end	ded Se	ptember 30
		2024		2023
(Losses) gains on disposals of property, plant and equipment	(\$	4)	\$	480
Gains from lease modification		98		-
Foreign exchange (losses) gains	(	1,271)		31
Gains on financial assets at fair value through profit or loss		3,868		4,574
Miscellaneous disbursements	(	1)	(	28)
	\$	2,690	\$	5,057
		Nine months end	led Se	ptember 30
		2024		2023
Gains on disposals of property, plant and equipment	\$	303	\$	405
Gains from lease modification		3,316		-
Foreign exchange losses	(	294)	(	995)
Gains on financial assets at fair value through profit or loss		13,309		13,654
Miscellaneous disbursements	(	18)	(	74)
	\$	16,616	\$	12,990
(27) <u>Finance cost</u>				
		Three months end	ded Se	ptember 30
		2024		2023
Interest expense	\$	1,713	\$	2,948
Interest expense arising from corporate bonds		3,664		3,664
Interest expense arising from lease liabilities		761		2,696
Less: Capitalised interest payments			(	705)
	\$	6,138	\$	8,603
		Nine months end	led Sej	ptember 30
		2024		2023
Interest expense	\$	3,388	\$	11,009
Interest expense arising from corporate bonds		10,971		10,971
Interest expense arising from lease liabilities		1,927		3,592
Less: Capitalised interest payments			(	1,754)
	\$	16,286	\$	23,818

## (28) Expenses by nature

	Three months ended September 30				
		2024		2023	
Employee benefit expense	\$	336,223	\$	323,074	
Depreciation charges on property, plant and					
equipment		92,024		88,051	
Depreciation charges on right-of-use assets		10,304		11,334	
Amortisation		16,446		16,518	
Incinerator equipment costs		202,224		164,789	
Materials		302,350		253,189	
Sub-contract costs		598,809		459,994	
Insurance		39,727		32,654	
Other expenses		250,336		304,225	
Operating costs and expenses	\$	1,848,443	\$	1,653,828	
		Nine months end	ded September 30		
		2024		2023	
Employee benefit expense	\$	1,008,683	\$	985,363	
Depreciation charges on property plant and					

Employee benefit expense	\$ 1,008,683	\$ 985,363
Depreciation charges on property, plant and		
equipment	274,637	256,135
Depreciation charges on right-of-use assets	36,821	32,953
Amortisation	49,375	49,515
Incinerator equipment costs	513,199	433,125
Materials	904,210	809,780
Sub-contract costs	1,490,415	1,270,168
Insurance	120,068	87,256
Other expenses	 684,393	 724,356
Operating costs and expenses	\$ 5,081,801	\$ 4,648,651

#### (29) Employee benefit expense

	Three months ended September 30					
		2024		2023		
Salaries	\$	282,925	\$	271,736		
Employee stock options	(	20)		1,659		
Employee restricted stocks		1,448		1,444		
Labor and health insurance fees		20,573		19,692		
Pension costs		15,842		14,316		
Other personnel expenses		15,455		14,227		
	\$	336,223	\$	323,074		
	Ν	Vine months end	ed Septe	ember 30		
		2024		2023		
Salaries	\$	842,849	\$	826,117		
Employee stock options		997		6,745		
Employee restricted stocks		4,354		4,331		
Labor and health insurance fees		64,585		60,973		
Pension costs		44,132		41,599		
Other personnel expenses		51,766		45,598		
	\$	1,008,683	\$	985,363		

- A. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had 1,105, 1,086 and 1,086 employees, respectively.
- B. When net profit occurs in the annual accounts, the Company may, after setting aside a sufficient amount of the income before tax to cover the accumulated losses, upon the resolution of the Board of Directors, distribute at least 0.01% of the income before tax as employees' compensation, and distribute no more than 2% of the income before tax as directors' remuneration. The remuneration could be in the form of stock or cash, and the employees' compensation could be distributed to the employees of subsidiaries of the Company under certain conditions. A report of the distribution of employees' compensation or the directors' remuneration shall be submitted to the shareholders at the shareholders' meeting.
- C. For the three months and nine months ended September 30, 2024 and 2023, employees' compensation was accrued at \$882, \$92, \$1,006 and \$275, respectively; directors' and supervisors' remuneration was accrued at \$1,300, \$1,300, \$3,900 and \$3,900, respectively. The aforementioned amounts were recognized in salary and other expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 0.01% and 2% of distributable profit of current year for the year ended December 31, 2023, respectively. The employees' compensation and directors' and supervisors' remuneration have been resolved by the Board of Directors, which were accrued at \$287 and \$5,200, respectively. The employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2023 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 financial statements.

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

#### (30) Income tax

- A. Income tax expense:
  - (a) Components of income tax expense:

]	Three months ended September 3				
	2024		2023		
\$	80,704	\$	82,380		
	58	(	1,016)		
	80,762		81,364		
(	6,595)	(	374)		
	490		310		
\$	74,657	\$	81,300		
Nine months ended September 30					
	2024		2023		
\$	272,200	\$	262,188		
(	3)	(	35,885)		
	272,197		226,303		
(	40,246)	(	28,889)		
	35		462		
\$	231,986	\$	197,876		
	\$ ( 	$     \begin{array}{r}         2024 \\         $ 80,704 \\                                    $	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		

- B. As of September 30, 2024, the income tax returns of the Company through 2022 have been assessed and approved by the Tax Authority.
- (31) Earnings per share

		Three mon	ths ended September 30	0, 2024	Ļ	
			Weighted average number of ordinary shares outstanding		nings per hare	
	Amou	int after tax	(shares in thousands)	(in o	dollars)	
Basic earnings per share Profit attributable to ordinary shareholders of the parent	\$	353,189	72,236	\$	4.89	
Diluted earnings per share Assumed conversion of all dilutive potential ordinary shares						
Employee stock options		-	266			
Employees' compensation		-	2			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive						
potential ordinary shares	\$	353,189	72,504	\$	4.87	
		Nine mont	hs ended September 30	0. 2024		
			Weighted average	,		
			number of ordinary	Earr	nings per	
			shares outstanding	S	hare	
	Amou	int after tax	(shares in thousands)	(in o	dollars)	
Basic earnings per share Profit attributable to ordinary						
shareholders of the parent	\$	981,974	72,000	\$	13.64	
Diluted earnings per share Assumed conversion of all dilutive potential ordinary shares						
Employee stock options		-	275			
Employees' compensation			4			
Profit attributable to ordinary						
shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares						

	Three months ended September 30, 2023				
			Weighted average number of ordinary shares outstanding		ings per hare
	Amo	unt after tax	(shares in thousands)	(in c	lollars)
Basic earnings per share Profit attributable to ordinary shareholders of the parent Diluted earnings per share	\$	332,024	71,420	\$	4.65
Assumed conversion of all dilutive potential ordinary shares Employee stock options		-	458		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive	¢	222.024	71 070	¢	4.62
potential ordinary shares	\$	332,024	71,878	\$	4.62
		Nine mont	hs ended September 30	, 2023	
			Weighted average number of ordinary shares outstanding		ings per hare
	Amo	unt after tax	(shares in thousands)	(in c	lollars)
Basic earnings per share Profit attributable to ordinary					
shareholders of the parent <u>Diluted earnings per share</u> Assumed conversion of all dilutive potential ordinary shares	\$	943,139	71,040	<u>\$</u>	13.28
Employee stock options		-	423		
Employees' compensation		-	1		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive					
potential ordinary shares	\$	943,139	71,464	\$	13.20

#### (32) Supplemental cash flow information

Investing activities with partial cash payments

	Nine months ended September 30					
		2024		2023		
Changes in other non-current assets	\$	305,398	\$	180,696		
Add: Beginning balance of payable on equipment		6,947		9,759		
Less: Ending balance of payable on equipment	(	6,113)	(	3,549)		
Cash paid during the period	<u>\$</u>	306,232	\$	186,906		

## (33) Changes in liabilities from financing activities

The Group's liabilities from financing activities for the nine months ended September 30, 2024 and 2023 included short-term borrowings, short-term notes and bills payable, corporate bonds payable, long-term borrowings, lease liabilities, changes in cash flow from financing, etc. The summary amount is as follows. For the rest of the information, refer to the cash flow statement.

		2024		2023		
	L	Liabilities from financing activities-gross				Liabilities from
						financing fina
	a			activities-gross		
At January 1	\$	2,294,551	\$	2,669,799		
Changes in cash flow from financing activities		407,567	(	173,734)		
Changes in other equity items	(	3,431)		59,611		
At September 30	\$	2,698,687	\$	2,555,676		

#### 7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by CTCI Corporation (incorporated in R.O.C.), which owns 53.22% of the Company's shares. The remaining 46.78% of the shares are widely held by the public.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
CTCI Corp.	Ultimate parent company
CTCI Chemical Corp.	Associate
CTCI Machinery Corp.	Associate
Ever Ecove Corporation	Associate
CTCI Resources Engineering Inc.	Associate
CTCI Investment Corp.	Associate
CTCI Development Corp.	Associate
CTCI Advanced Systems Inc.	Associate
CTCI Beijing Co., Ltd.	Associate

Names of related parties	Relationship with the Group
Bao Ding Reclaimed Water Co., Ltd	Other related party
CTCI Education Foundation	Other related party
CTCI Foundation	Other related party
Blue Whale Water Technologies Corporation	Other related party
HDEC-CTCI (Linhai) Corporation	Other related party
East Pacific Energy and Technologies	Other related party

#### (3) Significant transactions and balances with related parties

A. Operating revenue

	TI	ded September 30		
	2024			2023
Operating revenue:				
Ultimate parent company	\$	16,861	\$	22,081
Associates		70,211		21,739
Other related party		1,489		1,051
	\$	88,561	\$	44,871
	Nine months ended September 30			
	2024		2023	
Operating revenue:				
Ultimate parent company	\$	49,277	\$	43,763
Associates		184,948		76,731
Other related party		3,320		1,679
	\$	237,545	\$	122,173

- (a) The prices on the operating, removal and transportation contracts entered into with related parties are set through negotiation by both parties. The collection term was 30 days monthly.
- (b) In accordance with Financial-Supervisory-Securities-Firms No. 0990100279 of the GreTai Securities Market, the Company provides illustrations as follows:

Although the Group discloses operating revenues from CTCI as above, the related costs including equipment maintenance cost and employee salary of Ecove Environmental Services Corp. when performing operation service, are not related party transactions.

B. Purchases of goods and services

	Three months ended September 30					
	2024			2023		
Ultimate parent company	\$	3,476	\$	3,637		
Associates		79,017		65,358		
	\$	82,493	\$	68,995		
	N	ine months end	ed Septe	mber 30		
		2024		2023		
Ultimate parent company	\$	18,646	\$	13,230		
Associates		230,245		217,751		
	\$	248,891	\$	230,981		

The prices on the purchase of goods and services and operating contracts entered into with related parties are set through negotiation by both parties. The payment term was 30 days monthly.

C. Accounts receivable

	Septen	nber 30, 2024	Decen	nber 31, 2023	Septer	mber 30, 2023
Ultimate parent company	\$	37,036	\$	10,768	\$	45,026
Associates		611		68		184
Other related party		171		937		_
	\$	37,818	\$	11,773	\$	45,210
D. Contract assets						
	Septen	nber 30, 2024	Decen	nber 31, 2023	Septer	mber 30, 2023
Associates	\$	166,162	\$	19,588	\$	67,889
E. Contract liabilities						
	Septen	nber 30, 2024	Decen	<u>uber 31, 2023</u>	Septer	nber 30, 2023
Associates	\$	52	\$	52	\$	51
Other related party		351		-		_
	\$	403	\$	52	\$	51

F. Accounts payable

	Septem	1001 30, 202		,		
Associates	\$	64,454	\$	42,528	\$	61,103
Ultimate parent company		16,907		13,562		11,457
	\$	81,361	\$	56,090	\$	72,560
G. Other receivables - related parties	3					
	Sentem	ber 30, $2024$	Docomb	ar 31 2022	Sentem	ber 30, 2023
Other receivables:	Septem	10CI 30, 2024	December	$\frac{1}{2}$ 51, 2023	<u>Septem</u>	<u>001 30, 202</u> 3
	\$	98	\$	157	\$	198
Associates (Note)					φ	170
Note: The above receivables aros	e from appo	rtioned office	e expense	es.		
H. Loans to related parties						
(a) Loans from related parties –	Outstanding	balance				
	Septem	ber 30, 2024	Decembe	er 31, 2023	Septem	ber 30, 2023
CTCI Resources Engineering	Inc. <u>\$</u>	-	\$	-	\$	260,000
(b) Loans from related parties – I	interest expe	nse				
			Three mo	nths ended	Septem	ber 30
			2024		20	)23
Associates (Note)		\$		- \$		1,229
			Nine mor	oths ended	Septemb	er 30
			2024		<b>_</b>	)23
Associates (Note)		\$		- \$		3,194
		Ψ		<u> </u>		5,171
Note: The loans from relate	d party are	repayable n	nonthly a	nd carry	interest	at 0% and
		1 2	5	and carry		at 070 tillta
1.325%~1.8% per ann	um for the 1		•	•		
1.325%~1.8% per ann respectively.	um for the 1		•	•		
respectively.			•	•		
-		nine months	ended Se	eptember 3	30, 2024	and 2023,
respectively.		nine months	ended Se	•	30, 2024 Septeml	and 2023, per 30
respectively. (c) Loans to related parties – Inte		nine months	ended Se	eptember 3	30, 2024 Septeml	and 2023,
respectively.		nine months	ended Se	eptember 3	30, 2024 Septeml	and 2023, per 30
respectively. (c) Loans to related parties – Inte		nine months	ended Se <u>Three mo</u> 2024	eptember 3 nths ended	80, 2024 Septeml	and 2023, per 30 )23 
respectively. (c) Loans to related parties – Inte		nine months	ended Se <u>Fhree mo</u> <u>2024</u> Nine mor	eptember 3	Septemb	and 2023, ber 30 23 - er 30
respectively. (c) Loans to related parties – Inte		nine months	ended Se <u>Three mo</u> 2024	eptember 3 nths ended	Septemb	and 2023, per 30 )23 

September 30, 2024 December 31, 2023 September 30, 2023

Note: The terms of lending include interest to be calculated and received monthly, using the annual rate of 1.705% for the nine months ended September 30, 2024.

#### I. Other income

	Three months ended September 30				
	2024			2023	
Ultimate parent company	\$	2	\$	-	
Associates		-		-	
Other related parties		7,230		698	
	\$	7,232	\$	698	
	Nine months ended September 30				
		2024		2023	
Ultimate parent company	\$	2	\$	2	
Associates		750		400	
Other related parties		7,730		1,235	
	\$	8,482	\$	1,637	

The above other income arose from cash dividends, sponsorship and directors' and supervisors' remuneration.

J. Operating expenses

	Th	ree months end	ended September 30		
	2024			2023	
Ultimate parent company	\$	8,045	\$	5,168	
Associates		984		663	
	\$	9,029	\$	5,831	
	Ni	ne months end	ed Septer	nber 30	
		2024		2023	
Ultimate parent company	\$	16,072	\$	9,901	
Associates		1,881		1,798	
	\$	17,953	\$	11,699	

This is mainly from personnel transfers from related parties, accrued directors' and supervisors' remuneration, and office related expenses.

K. Other payables-related parties

(a) Other payables

	Septem	<u>ber 30, 202</u> 4	Decem	ber 31, 2023	Septem	ber 30, 2023
Ultimate parent company	\$	15,159	\$	8,865	\$	7,187
Associates		30		13		637
	\$	15,189	\$	8,878	\$	7,824

- L. Leasing arrangements lessee
  - (a) As of September 30, 2024, the main lease contracts between the Group and related parties are as follows:

Lessor	Lease object	Payment method	Lease term
Ultimate parent company	Buildings and	\$56/year	2019.1.1~2028.12.7
	structures		
Associates	//	\$285/year	2010.7.22~2029.7.21
Associates	//	\$15,003/year	2021.8.1~2031.7.31

(b) Acquisition of right-of-use assets

	Nine months ended September 30			
		2024	2023	
Ultimate parent company	\$	- \$	366	
Associates		15,571	3,641	
	\$	15,571 \$	4,007	

(c) Lease liabilities

	Septem	<u>ber 30, 202</u> 4	Decen	nber 31, 2023	Septer	mber 30, 2023
Ultimate parent company	\$	535	\$	646	\$	934
Associates		93,894		105,698		112,834
	\$	94,429	\$	106,344	\$	113,768

(d) Interest expense on lease liabilities

	Three months ended September 30						
	2	024	2	023			
Ultimate parent company	\$	1	\$	3			
Associates		226		253			
	\$	227	\$	256			
	Nin	e months end	ed Septem	ber 30			
	2	024	2	.023			
Ultimate parent company	\$	3	\$	9			
Associates		571		647			
	\$	574	\$	656			

## M. Property transactions

Prepayments for equipment (shown as other non-current assets)

	Three months ended September 30						
	2024	2023					
Associates	\$	- \$ 3,004					
	Nine months	ended September 30					
	2024	2023					
Associates	\$	- \$ 18,778					

## N. Endorsements and guarantees for others

	S <u>epte</u>	mber 30, 2024	Dece	mber 31, 2023	Septe	ember 30, 2023
Associates	\$	1,925,600	\$	1,925,600	\$	1,936,100
Other related parties		293,000		293,000		293,000
	\$	2,218,600	\$	2,218,600	\$	2,229,100

#### (4) Key management compensation

	Th	ember 30			
		2024		2023	
Salaries and other short-term employee benefits	\$	13,743	\$	14,285	
Post-employment benefits		247		353	
Total	\$	13,990	\$	14,638	
	N	ine months end	ed Septe	ember 30	
		2024		2023	
Salaries and other short-term employee benefits	\$	39,219	\$	37,385	
Post-employment benefits		820		1,059	
Total	\$	40,039	\$	38,444	

#### 8. <u>PLEDGED ASSETS</u>

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

			В	ook value				
Assets	Sept	September 30, 2024		December 31, 2023		ptember 30, 2023	Purposes	
Current financial assets at amortised cost	\$	-	\$	30,000	\$	-	Guarantee for bid	
Property, plant and equipment		-		543,778		553,597	Guarantee for long-term and short-term loans	
Other non-current assets								
Guarantee deposits paid		30,187		30,837		31,476	Guarantee for bid, rent, performance guarantee, tender bond and staff dormitory	
Restricted bank deposits		220,068		49,559		79,493	Guarantee for bid	
	\$	250,255	\$	654,174	\$	664,566		

## 9. <u>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT</u> <u>COMMITMENTS</u>

In addition to those items which have been disclosed in Note 6(11), the significant commitments and contingent liabilities of the Group as of September 30, 2024 are as follows:

(1) The Group had entered into lines of credit agreements with several banks for guarantee payments under various service contracts. The subsidiaries had either issued guarantee notes or promissory notes for amounts drawn down under the line of credit agreements. As of September 30, 2024, the guarantee notes issued amounted to \$10,278,810.

- (2) As of September 30, 2024, for contractual guarantee, performance guarantee, waste collection and other guarantees, the Group has a performance letter of guarantee issued by the bank amounting to \$1,427,395.
- (3) As of September 30, 2024, the Group had outstanding commitments for service contracts amounting to \$8,393,202.
- 10. <u>SIGNIFICANT DISASTER LOSS</u>

None.

## 11. <u>SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE</u> None.

## 12. <u>OTHERS</u>

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios at September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	Septe	ember 30, 2024	Dece	mber 31, 2023	Septe	ember 30, 2023
Total borrowings	\$	2,450,812	\$	2,013,899	\$	2,528,277
Total equity	\$	6,812,447	\$	6,816,651	\$	6,536,585
Gearing ratio		36%		30%		39%

(2) Financial instruments

A. Financial instruments by category

	Sept	ember 30, 2024	De	cember 31, 2023	Septe	mber 30, 2023
Financial assets						
Financial assets measured at fair value						
through profit or loss						
Financial assets mandatorily measured	\$	431,280	\$	1,033,535	\$	1,325,520
at fair value through profit or loss						
Financial assets at fair value through						
other comprehensive income						
Designation of equity instrument		255,938		236,225		179,653
Financial assets at amortised cost						
Cash and cash equivalents		1,829,397		1,663,477		1,022,238
Financial assets at amortised cost		138,333		288,496		466,204
Notes receivable		-		6		-
Accounts receivable		980,685		942,411		925,460
Accounts receivable - related parties		37,818		11,773		45,210
Other receivables		4,621		5,777		5,444
Other receivables - related parties		98		157		198
Guarantee deposits paid		30,187		30,837		31,476
Long-term accounts receivable		428,252		561,003		602,929
Other financial assets		220,068		49,559		79,493
	\$	4,356,677	\$	4,823,256	\$	4,683,825
	Sept	ember 30, 2024	De	cember 31, 2023	Septer	mber 30, 2023
Financial liabilities						
Financial liabilities at amortised cost						
Short-term borrowings	\$	455,000	\$	-	\$	275,000
Short-term notes and bills payable		-		19,983		-
Notes payable		11,616		1,643		4,753
Accounts payable		1,544,565		1,399,199		1,463,575
Accounts payable - related parties		81,361		56,090		72,560
Other payables		371,815		492,201		383,865
Other payables - related parties		15,189		8,878		267,824
Bonds payable		1,995,812		1,993,916		1,993,277
Guarantee deposits received		427,368		426,041		388,397
	\$	4,902,726	\$	4,397,951	\$	4,849,251
Lease liability	\$	247,875	\$	280,652	\$	287,399

- B. Risk management policies
  - (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters.
- C. Significant financial risks and degrees of financial risks
  - (a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and MOP. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group has certain investments in foreign operations, therefore, does not hedge the risk.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: MOP and CNY. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2024									
	Foreign currency amount Exchange Book value									
	-	mount housands)	Exchange rate		(NTD)					
(Foreign currency : functional										
currency)										
Financial assets										
Monetary items										
USD: NTD	\$	60	31.7150	\$	1,903					
MOP: NTD		24,783	3.9511		97,920					
<u>Financial liabilities</u>										
Monetary items MOP: NTD	\$	817	3.9511	\$	3,228					

	December 31, 2023									
	Foreign currency amount (in thousands)		Exchange rate		Book value (NTD)					
(Foreign currency : functional currency)										
Financial assets										
Monetary items										
USD: NTD	\$	392	30.6800	\$	12,027					
MOP : NTD		29,423	3.8066		112,002					
Financial liabilities										
Monetary items										
MOP: NTD	\$ 7,327		3.8066	\$	27,891					
		S	eptember 30, 2023							
	Forei	gn currency								
	а	imount	Exchange		Book value					
	(in t	housands)	rate		(NTD)					
(Foreign currency : functional currency)										
Financial assets										
Monatory itams										
Monetary items	¢	27	22 2010	¢	1 104					
USD : NTD	\$	37	32.2810	\$	1,194					
	\$	37 29,302	32.2810 3.9990	\$	1,194 117,179					
USD : NTD	\$			\$	,					
USD : NTD MOP : NTD	\$ \$			\$ \$	,					

v. The unrealized exchange (loss) gain arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2024 and 2023 amounted to (\$750), \$152, \$732 and \$538, respectively.

vi. Analysis of	foreign	currency	market	risk	arising	from	significant	foreign	exchange
variation:									

	Nine mo	Nine months ended September 30, 2024								
		Sensitiv	vity analysis							
	Degree of variation		ffect on it or loss	compre	on other chensive ome					
(Foreign currency : functional currency) <u>Financial assets</u> <u>Monetary items</u>										
USD : NTD	1.00%	\$	19	\$	-					
MOP : NTD	1.00%		979		-					
Financial liabilities Monetary items										
MOP : NTD	1.00%		32		-					
	Nine mo		d Septembe	r 30, 202	3					
		Sensitr	vity analysis		.1					
	Degree of variation		fect on it or loss	compre	on other chensive ome					
(Foreign currency : functional currency)										
Financial assets										
Monetary items	1.000/	<i>•</i>	10	ф.						
USD : NTD	1.00%	\$	12	\$	-					
MOP : NTD	1.00%		1,172		-					
<u>Financial liabilities</u> <u>Monetary items</u>										
MOP : NTD	1.00%		219		-					

## Price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the nine months ended September 30, 2024 and 2023, the Group's borrowings at variable rate were denominated in NTD.

- (b) Credit risk
  - i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
  - ii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition.

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes and accounts receivable. On September 30, 2024, December 31, 2023 and September 30, 2023, the provision matrix is as follows:

	Excellent customers (Note 1)		cu	General stomers (Note 2)		Total
At September 30, 2024						
Expected loss rate		0%~0.03%		0%~0.03%		
Total book value	\$	1,318,867	\$	128,000	\$	1,446,867
Loss allowance	\$	-	(\$	112)	(\$	112)
		Excellent		General		
	cus	tomers (Note 1)	cu	stomers (Note 2)		Total
At December 31, 2023						
Expected loss rate		0%~0.03%		0%~0.03%		
Total book value	\$	1,400,268	\$	114,971	\$	1,515,239
Loss allowance	\$	-	(\$	46)	(\$	46)
		Excellent		General		
	cus	tomers (Note 1)	cu	stomers (Note 2)		Total
At September 30, 2023						
Expected loss rate		0%~0.03%		0%~0.03%		
Total book value	\$	1,435,251	\$	138,348	\$	1,573,599
Loss allowance	\$	-	\$	-	\$	-

Note 1: Government institution, state-owned enterprises, listed companies and associates.

Note 2: Customers who have not been included in Note 1.

Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

		2024		2023
			Accounts receivable	
At January 1	\$	46	\$	-
Provision for impairment		66		-
At September 30	\$	112	\$	

- (c) Liquidity risk
  - i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
  - ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

September 30, 2024	Less	s than 1 year	(	Over 1 year
Short-term borrowings	\$	456,210	\$	-
Notes payable		11,616		-
Accounts payable (including related parties) Other payables		1,625,926		-
(including related parties)		387,004		-
Lease liabilities		37,164		228,020
Bonds payable		12,100		2,007,890
Other non-current liabilities		-		427,368

Non-derivative financial liabilities			
December 31, 2023	Less	s than 1 year	 Over 1 year
Short-term notes and bills payable	\$	19,983	\$ -
Notes payable		1,643	-
Accounts payable			
(including related parties)		1,455,289	-
Other payables			
(including related parties)		501,079	-
Lease liabilities		42,866	255,267
Bonds payable		12,100	2,016,940
Other non-current liabilities		-	426,041
Non-derivative financial liabilities			
<u>September 30, 2023</u>	Less	s than 1 year	 Over 1 year
Short-term borrowings	\$	275,282	\$ -
Notes payable		4,753	-
Accounts payable			
(including related parties)		1,536,135	-
Other payables			
(including related parties)		651,689	-
Lease liabilities		44,655	252,394
Bonds payable		12,100	2,007,890
Other non-current liabilities		_	388,397

#### (3) Fair value estimation

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

B. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:The related information on the nature of the assets and liabilities is as follows:

September 30, 2024		Level 1		Level 2		Level 3		Total
Assets <u>Recurring fair value</u> <u>measurements</u> Financial assets at fair value through profit or								
loss Equity securities	\$	431,280	\$		- \$		\$	431,280
Financial assets at fair value through other comprehensive income	φ	431,280	φ	-	. ф	-	φ	431,280
Equity securities		107,991		_		147,947		255,938
	\$	539,271	\$		\$	147,947	\$	687,218
December 31, 2023		Level 1		Level 2		Level 3		Total
Assets								
Recurring fair value measurements								
Financial assets at fair								
value through profit or								
loss								
Equity securities	\$	1,033,535	\$	-	\$	-	\$	1,033,535
Financial assets at fair value through other comprehensive income								
Equity securities		115,601		-		120,624		236,225
1 2	\$	1,149,136	\$		\$		\$	1,269,760

September 30, 2023	 Level 1	 Level 2		 Level 3	 Total
Assets					
Recurring fair value					
measurements					
Financial assets at fair					
value through profit or					
loss					
Equity securities	\$ 1,325,520	\$	-	\$ -	\$ 1,325,520
Financial assets at fair value through other comprehensive income					
Equity securities	 109,307		-	 70,346	 179,653
	\$ 1,434,827	\$	-	\$ 70,346	\$ 1,505,173

C. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

- D. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- E. For the nine months ended September 30, 2024 and 2023, there were no transfers between Level 1 and Level 2.

		2024		2023
	Financial assets at fair value F through other		Financial a	ssets at fair value
			through other	
	compre	hensive income	comprehensive income	
At January 1	\$	120,624	\$	50,068
Gain recognized in other				
comprehensive income				
Recorded as unrealized gains on				
valuation of investments in equity				
instruments measured at fair value				
through other comprehensive		-		20,346
Acquired during the period		27,323		-
Sold during the period		-	(	68)
At September 30	\$	147,947	\$	70,346

F. Movements on Level 3 for the nine months ended September 30, 2024 and 2023 are as follows:

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

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 147,947	Market price method	Price to book ratio multiple, discount for	Median : 1.75 Average : 1.98 Liquidity	The higher the multiple and control premium,
			lack of marketability	discount : 30%	the higher the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 120,624	Market price method	Price to book ratio multiple, discount for lack of marketability	Median : 1.75 Average : 1.98 Liquidity discount : 30%	The higher the multiple and control premium, the higher the fair value
	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 70,346	Market price method	Price to book ratio multiple, discount for lack of marketability	Median : 1.98 Average : 2.72 Liquidity discount : 30%	The higher the multiple and control premium, the higher the fair value

### 13. <u>SUPPLEMENTARY DISCLOSURES</u>

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paidin capital or more: Refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 8.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 9.

- (3) Information on investments in Mainland China
  - A. Basic information: None.
  - B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.
- (4) Major shareholders information

Refer to table 10.

# 14. OPERATING SEGMENT FINANCIAL INFORMATION

(1) General information

The Group's main business is only in a single industry. The Board of Directors, which allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Information about segmental income, assets and liabilities

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

	1	Three months end	ded Sep	otember 30
		2024		2023
Revenue from external customers	\$	2,291,614	\$	2,073,854
Inter-segment revenue		413,724		386,246
Total segment revenue	\$	2,705,338	\$	2,460,100
Segment income	\$	443,171	\$	420,026
Depreciation	\$	102,328	\$	99,385
Amortisation	\$	16,446	\$	16,518

	Nine months ended September 5									
		2024		2023						
Revenue from external customers	\$	6,344,055	\$	5,850,126						
Inter-segment revenue		1,179,706		1,125,786						
Total segment revenue	\$	7,523,761	\$	6,975,912						
Segment income	\$	1,262,254	\$	1,201,475						
Depreciation	\$	311,458	\$	289,088						
Amortisation	\$	49,375	\$	49,515						

Nine months and ad September 30

# (3) <u>Reconciliation information of segmental income</u>

A reconciliation of adjusted EBITDA for reportable segment and income from continuing operations before income tax for the three months and nine months ended September 30, 2024 and 2023 is provided as follows:

		Three months en	ded Se	ptember 30
		2024		2023
Adjusted EBITDA for reportable segment	\$	443,171	\$	420,026
Financial cost, net	(	6,138)	(	8,603)
Others		31,404	_	39,280
Income from continuing operations before				
income tax	\$	468,437	\$	450,703
		Nine months end	led Sej	ptember 30
		2024		2023
Adjusted EBITDA for reportable segment	\$	1,262,254	\$	1,201,475
Financial cost, net	(	16,286)	(	23,818)
Others		121,718		128,287
Income from continuing operations before				
income tax	\$	1,367,686	\$	1,305,944

#### ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES Loans to others For the nine-month period ended September 30, 2024

# Expressed in thousands of NTD (Except as otherwise indicated)

No.	Graditor	P	General ledger account ( Note 2 )	Is a related	out balanc nine-m Septem		Balance at September 30, 2024	Actual amount drawn down	Interest	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing (Note 6)	Allowance for doubtful	Colla		Limit on loans granted to a single party	total loans granted	<b>F</b>
(Note 1) 0	Creditor ECOVE	Borrower ECOVE Solar	Other receivables -	party Yes	\$	Note 3)	(Note 8) \$ -	\$ -	rate -	(Note 4) 2	(Note 5) \$ -	(Note 6) For operational	accounts \$ -	Item -	Value \$ -	(Note 7) \$ -	(Note 7) \$ -	Footnote Note 9
		Energy Corporation	related parties			, ,						needs						
0		ECOVE Solar Power Corporation	"	"		650,000	650,000	650,000	1.575~1.705%		-	"	-		-	2,559,139	2,559,139	-
0		ECOVE South Corporation Ltd.	. "	"		100,000	-	-	-		-	"	-		-	-	-	Note 9
1		CTCI Smart Engineering Corp.	"	"		249,000	-	-	-	"	-	"	-	"	-	492,159	492,159	-
1		CTCI Development Corp.	"	"		318,000	11,000	-	-	"	-	"	-	"	-	492,159	492,159	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: Fill in the name of account in which the loans are recognized, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others for the nine months ended September 30, 2024.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing:

(1) The Business association is '1'.

(2) The Short-term financing are numbered in order starting from '2'

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The calculation and amount on ceiling of loans are as follows:

(1) The limit on loans granted by the Company and subsidiaries to a single party shall not exceed 40% of each company's net asset value.

(2) The ceiling on totals loans granted by the Company and subsidiaries shall not exceed 40% of each company's net asset value.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in installments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 9: The Company conducted a simple merger with the subsidiary, ECOVE Solar Energy Corporation and the second-tier subsidiary, ECOVE South Corporation Ltd. due to the restructure of the Group in June 2024.

## Provision of endorsements and guarantees to others

## For the nine-month period ended September 30, 2024

Table 2

(Except as otherwise indicated)

		Party b endorsed/gu	-	Limit on endorsements/ guarantees provided for a	Maximum outstanding endorsement/ guarantee amount as of September 30,	Outstanding endorsement/ guarantees amount at	Actual amount	Amount of endorsements/ guarantees	Ratio of accumulated endorsement/ guarantee amount to net asset value	Ceiling on total amount of endorsements/ guarantees	Provision of endorsements/ guarantees by parent company	Provision of endorsements/ guarantees by subsidiary to	Provision of endorsements/ guarantees to the party in	
Number	Endorser/		guarantor	single party	2024	September 30, 2024	drawn down	secured with	of the endorser/	provided	to subsidiary	parent company	Mainland China	
(Note 1)	guarantor	Company name	(Note 2)	( Note 3 )	(Note 4)	(Note 5)	( Note 6 )	collateral	guarantor company	(Note 3)	(Note 7)	(Note 7)	(Note 7)	Footnote
0	ECOVE Environment Corp.	t ECOVE South Corporation Ltd.	2	\$ -	\$ 100,000	\$ -	\$ -	-	0.00%	\$ -	Y	Ν	Ν	Note 8
0	"	ECOVE Solar Energy Corporation	2	-	2,670,000	-	-	-	0.00%	-	Y	Ν	Ν	Note 8
0	"	ECOVE Solar Power Corporation	2	38,387,088	1,471,326	1,471,326	126,039	-	23.00%	63,978,480	Y	Ν	Ν	-
0	"	ECOVE Solvent Recycling Corporation	2	38,387,088	200,000	200,000	-	-	3.13%	63,978,480	Y	Ν	Ν	-
0	"	ECOVE Environment Services Gangshan Corporation	2	38,387,088	900,000	900,000	250,000	-	14.07%	63,978,480	Y	Ν	Ν	-
0	"	ECOVE Chiayi Energy Corp.	2	38,387,088	164,050	158,575	-	-	2.48%	63,978,480	Y	Ν	Ν	-
0	"	Ever Ecove Corporation	6	38,387,088	192,500	192,500	156,500	-	3.01%	63,978,480	Ν	Ν	Ν	-
1	ECOVE Solar Power Corporation	ECOVE Solar Energy Corporation	3	-	31,604	-	-	-	0.00%	-	Ν	Ν	Ν	Note 8
1	n	ECOVE Environment Corp.	3	1,846,504	19,196	19,196	19,196	-	4.16%	2,769,757	Ν	Y	Ν	-
2	ECOVE Environment Service Corp.	t Jing Ding Green Energy Technology Co., Ltd.	6	7,382,387	1,733,100	1,733,100	346,920	-	140.86%	12,303,979	Ν	Ν	Ν	-
2	"	ECOVE Chiayi Energy Corp.	6	7,382,387	82,025	79,288	-	-	6.44%	12,303,979	Ν	Ν	Ν	-
2	"	Bao Ding Reclaimed Water Co., Ltd.	6	7,382,387	293,000	293,000	158,900	-	23.81%	12,303,979	Ν	Ν	Ν	-

#### Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

(1) The limit on endorsements and guarantees granted to a single party shall not exceed 600% of the Company's net assets value in last financial statement which was audited or reviewed by accountant.

(2) The ceiling on total endorsements and guarantees shall not exceed 1,000% of the Company's net assets value in last financial statement which was audited or reviewed by accountant.

- (3) The limit on endorsements and guarantees granted to a single party shall not exceed 400% of ECOVE Solar Energy Corporation and ECOVE Solar Power Corporation's net assets value in last financial statement which was audited or reviewed by accountant.
- (4) The ceiling on total endorsements and guarantees shall not exceed 600% of ECOVE Solar Energy Corporation and ECOVE Solar Power Corporation's net assets value in last financial statement which was audited or reviewed by accountant.
- (5) The limit on endorsements and guarantees granted to a single party shall not exceed 600% of ECOVE Environment Services Corp.'s net assets value in last financial statement which was audited or reviewed by accountant.

(6) The ceiling on total endorsements and guarantees shall not exceed 1,000% of ECOVE Environment Services Corp.'s net assets value in last financial statement which was audited or reviewed by accountant.

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

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.

And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

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

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

Note 8: The Company conducted a simple merger with the subsidiary, ECOVE Solar Energy Corporation and the second-tier subsidiary, ECOVE South Corporation Ltd. due to the restructure of the Group in June 2024.

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

For the nine-month period ended September 30, 2024

								(Except as oth	erwise indicated
	Mari	ketable securities (Note 1)	Relationship with			Septembe	er 30, 2024		
			the securities issuer	General	Number of shares/	Book value	Ownership		Footnote
Securities held by	Туре	Name	(Note 2)	ledger account	denominations	(Note 3)	(%)	Fair value	(Note 4)
ECOVE Environment Corp.	Common Stock	Taiwan Cement Corp.	None	Financial assets at fair value through other comprehensive income-current	584,287	\$ 16,671	-	\$ 19.048	-
				Adjustment	-	2,377			
					3	5 19,048			
n		Blue Whale Water Technologies Corporation	Other related parties	Financial assets at fair value through other comprehensive income-non- current	1,000	11	0.0014%	11	-
u		HDEC-CTCI (Linhai) Corporation	"	Financial assets at fair value through other comprehensive income-non- current	1,000	12	0.0010%	12	
	Beneficiary Certificates	s Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	25,621,005	361,010	-	361,010	-
ECOVE Wujih Energy Corp.	Common Stock	Taiwan Cement Corp.	None	Financial assets at fair value through other comprehensive income-current	587,686	19,159	-	19,159	-
۳	Beneficiary Certificates	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss-current	2,136,703	30,107	-	30,107	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corporation	Ultimate Parent Company	Financial assets at fair value through other comprehensive income - current	1,028	49	-	49	-
"	"	Taiwan Cement Corp.	None	n	1,547,328	50,443	-	50,443	-
"		Bao Ding Reclaimed Water Co., Ltd.	"	Financial assets at fair value through other comprehensive income - non- current	11,450,000	147,924	10.00%	147,924	-
ECOVE Waste Management Corp.	Common Stock	Taiwan Cement Corp.	None	Financial assets at fair value through other comprehensive income - current	591,804	19,292	-	19,292	-
		ECOVE Environment Corp.	The Company	н	1,605	462	-	462	-
ECOVE Mioali Energy Corp.	Beneficiary certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	1,426,346	20,098	-	20,098	-
Yuan Ding Resources Corp.	Beneficiary certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through	711,992	10,032	-	10,032	-
ECOVE Environment Services Gangshan Corporation	Beneficiary certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	712,023	10,033	-	10,033	-

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

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Table 3

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

# Expressed in thousands of NTD (Except as otherwise indicated)

## Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

## For the nine-month period ended September 30, 2024

Table 4

Expressed	in	thousands	of NTD
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(Except as otherwise indicated)

					Balance as at Jan	uary 1, 2024	Addition (Note 3)			Dispos (Note 2			Balance September 3	
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
ECOVE Environment Corp.	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss		-	- :	· · · · · ·	19,552,047 \$	280,000	19,552,047 \$				-	
n	FSITC Taiwan Money Market Fund	"	-	-	-	-	38,632,922	610,000	38,632,922	611,067	610,000	1,067	-	-
"	Taishin 1699 Money Market Fund		-	-	-	-	26,338,082	370,000	717,077	10,023	10,000	23	25,621,005	360,000
ECOVE Environment Services Corp.	Jih Sun Money Market Fund	"	-	-	-	-	18,975,332	290,000	18,975,332	290,248	290,000	248	-	-
ECOVE Wujih Energy Corp.	y Taishin 1699 Money Market Fund	'n	-	-	21,776,409	300,688	2,136,703	30,000	21,776,409	304,593	300,688	3,905	2,136,703	30,000
"	FSITC Taiwan Money Market Fund		-	-	23,511,769	370,000	36,393,521	575,000	59,905,290	947,556	945,000	2,556	-	-
'n	SinoPac TWD Money Market Fund	"	-	-	-	-	29,277,926	420,000	29,277,926	421,067	420,000	1,067	-	-
"	Taishin Ta-Chong Money Market Fund				-	-	42,800,930	630,000	42,800,930	631,685	630,000	1,685	-	-
ECOVE Environment Services Gangshan Corporation	SinoPac TWD Money Market Fund	U	-	-	17,521,481	250,000	20,901,873	300,000	38,423,354	552,028	550,000	2,028	-	-
"	Taishin Ta-Chong Money Market Fund	u	-	-	-	-	12,914,013	190,000	12,914,013	190,593	190,000	593	-	-
ECOVE Mioali Energy Corp.	y FSITC Taiwan Money Market Fund	11	-	-	-	-	18,422,875	290,000	18,422,875	290,719	290,000	719	-	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for using the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity

attributable to owners of the parent in the calculation.

#### Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

#### For the nine-month period ended September 30, 2024

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:									
							Original owner who sold the real	Relationship between the	Date of the						Reason for acquisition	
Real estate	Real estate	Date of the	Transaction	Status of		Relationship with	estate to the	original owner and	original				Ba	asis or reference used in	of real estate and status	Other
acquired by	acquired	event	 amount	payment	Counterparty	the counterparty	counterparty	the acquirer	transaction		Amou	nt		setting the price	of the real estate	commitments
ECOVE Environment Services Corp.	Land	2022/7/19	\$ 2,376,900 \$	475,380	) Industrial Development Bureau, Ministry of Economic Affairs	None	-	-	-	\$		-		Bid price	Acquisition of environmental land	Note 6
ECOVE Resource Recycling Corporation	Buildings and structures	2023/2/1	339,499	18,77	8 CTCI Resources Engineering Inc.	Associate	-	-	-			-	Pr	rice negotiation by both parties	Operations	-

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity

attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 4: It pertained to the price excluding tax.

- Note 5: For the nine-month period ended September 30, 2024, ECOVE Environment Services Corp. and ECOVE Resource Recycling Corporation both paid \$0.
- Note 6: If ECOVE Environment Services Corp. does not obtain the approval documents for waste collection and complete the land use based on the approved plan within 3 years after the approval of the environmental impact statements or the assessment reports, the completion deposits would not be refunded and shall be turned over to the industrial park development and management fund, Ministry of Economic Affairs. In addition, the Industrial Development Bureau shall repurchase the land mandatorily at the original price with no interest bearing. ECOVE Environment Services Corp. assumes the consideration for land used from the turn over completion day of the bid land to the day before the return of the land to the Industrial Development Bureau (calculated by multiplying the total area of the bid land by 12% of the present value of land).

#### Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

#### For the nine-month period ended September 30, 2024

#### Expressed in thousands of NTD

(Except as otherwise indicated)

								Differences in transaction terr	ns compared to			
					Transaction	l		third party transact	ions	Notes/accour	ts receivable (payable)	-
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	A	Amount	Percentage of total purchases (sales)	Credit term	Unit price Cr	edit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
ECOVE Environment Service Corp.	es ECOVE Environment Services Gangshan Corporation	Associate	(Operating and maintaining revenue)	(\$	531,284) (	12% )	30 days monthly	No significant diffe	rence	\$ 140,42	7 21%	-
	ECOVE Wujih Energy Corp.		(Operating and maintaining revenue)	(	210,279) (	5% )	"	"		38,50	1 6%	-
'n	ECOVE Mioali Energy Corporation		(Operating and maintaining revenue)	(	120,797) (	3% )		"		27,88	8 4%	-
ECOVE Environment Service Gangshan Corporation	es ECOVE Environment Services Corp.		Operating cost		531,284	69%	"	"	(	140,42	7) ( 47% )	-
ECOVE Wujih Energy Corp.	ECOVE Environment Services Corp.	"	Operating cost		210,279	63%	"	"	(	38,50	1) ( 99% )	-
ECOVE Mioali Energy Corporation	COID: ECOVE Environment Services Corp.	"	Operating cost		120,797	90%		"	(	27,88	8) ( 99% )	-

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit' term columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

#### Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

#### For the nine-month period ended September 30, 2024

Table 7

#### Expressed in thousands of NTD

(Except as otherwise indicated)

					 Overdue r	receivables	Amount collected	
		Relationship with	Balance as at				subsequent to the	Allowance for
Creditor	Counterparty	the counterparty	September 30, 2024	Turnover rate	Amount	Action taken	balance sheet date	doubtful accounts
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan	A subsidiary	\$ 140,427	3.78	\$ -	Call in arrears	\$-	\$ -
ECOVE Environment Corp.	ECOVE Solar Power Corporation	A subsidiary	653,904	Note 3	-	Note 3	-	-

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties....

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Other accounts receivable arising from lending capital, directors' remuneration receivable, and cash dividends receivable.

#### Significant inter-company transactions during the reporting period

#### For the nine-month period ended September 30, 2024

#### Expressed in thousands of NTD

#### (Except as otherwise indicated)

						Transaction		
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	I ?		1	Other accounts receivable	¢	653,904		5.03%
0	ECOVE Environment Corp.	ECOVE Solar Power Corporation	1		Ф	· · · · · · · · · · · · · · · · · · ·	-	5.05%
0	"	ECOVE Solar Power Corporation	"	Endorsements and guarantees		1,471,326	-	N/A
0	"	ECOVE Environment Services Gangshan Corporation	"	"		900,000	-	N/A
0	"	ECOVE Solvent Recycling Corporation	"	"		200,000	-	N/A
0	"	ECOVE Chiayi Energy Corp.	"	"		158,575	-	N/A
1	ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	3	Operating revenue		120,797	30 days monthly	1.90%
1	"	ECOVE Wujih Energy Corp.	"	"		210,279	"	3.31%
1	"	ECOVE Environment Services Gangshan Corporation	"	"		531,284	"	8.37%
1	"	ECOVE Environment Services Gangshan Corporation	"	Accounts receivable		140,427	"	1.08%

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

(1) Parent company is '0'

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

Table 8

# ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES Information on investees (not including investees in Mainland China)

For the nine-month period ended September 30, 2024

Initial investment amount Shares held as at September 30, 2024

			-	Initial investi	ment amount	Shares	held as at September 30,	2024			
Investor	Investee	Location	Main business activities	Balance as at September 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	In Net profit (loss) of the investee for the nine-month period ended September 30, 2024	westment income (loss) recognized by the Company for the nine-month period ended September 30, 2024	Footnote
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Taiwan	Waste services equipment installation, co- generation, waste services and other environmental services, etc.	1 .		30,000,000	100.00% \$		1 1 · · · ·	I I	A subsidiary
ECOVE Environment Corp.	ECOVE Environment Services Corp.	Taiwan	Refuse incineration plant's operation, machinery and equipment maintenance,etc.	356,518	356,518	15,100,000	100.00%	1,239,628	515,193	513,063	A subsidiary
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Taiwan	Waste services, equipment and mechanical installation, waste clear, international trade and other	20,000	20,000	2,000,000	100.00%	88,195	30,443	30,443	A subsidiary
ECOVE Environment Corp.	ECOVE Miaoli Energy Corp.	Taiwan	Waste services equipment installation, co- generation, waste services and other environmental services, etc.	899,985	899,985	44,999,200	74.999%	633,223	76,311	57,232	A subsidiary
ECOVE Environment Corp.	Yuan Ding Resources Corp.	Taiwan	Waste services, waste clean, other environmental services, and environmental pollution services, etc.	42,696	42,696	4,500,000	100.00%	39,923	279	279	A subsidiary
ECOVE Environment Corp.	ECOVE Solvent Recycling Corporation	Taiwan	Operating basic chemical industry and manufacture of other chemical products	104,179	104,179	9,000,000	100.00%	132,391	22,214	22,214	A subsidiary
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	309,489	309,489	12,039,903	18.47%	425,219	155,171	30,822	An investee using equity method
ECOVE Environment Corp.	Ever Ecove Corporation	Taiwan	Waste services, waste clean and cogeneration	80,000	80,000	8,000,000	5.00%	121,059	179,557	9,605	An investee using equity method
ECOVE Environment Corp.	ECOVE Chiayi Energy Corp.	Taiwan	Waste services, waste clean, etc.	100,000	100,000	10,000,000	50.00%	103,855	7,707	3,853	A subsidiary
ECOVE Environment Corp.	ECOVE Solar Power Corporation	Taiwan	Energy technology services, etc.	306,000	306,000	30,600,000	100.00%	461,626	18,846	18,846	A subsidiary
ECOVE Environment Corp.	G.D International,LLC.	U.S.A.	Energy technology services, etc.	189,197	189,197	-	100.00%	541,427	42,331	42,331	A subsidiary
ECOVE Environment Service Corp.	CTCI Chemicals Corp.	Taiwan	Industrial chemicals' wholesale manufacturing and retail.	24,851	24,851	1,910,241	26.90%	83,612	78,993	21,253	Associate
ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	Taiwan	Waste services equipment installation, co- generation, waste services and other environmental services, etc.	11	11	800	0.001%	11	76,311	1	Affiliate
ECOVE Environment Services Corp.	SINOGAL-Waste Services Co., Ltd.	Macau	Management of waste recycling site and maintenance of related mechanical and equipment, etc.	4,964	4,964	-	30.00%	63,693	189,757	56,927	A subsidiary
ECOVE Environment Services Corp.	ECOVE Resource Recycling Corporation	Taiwan	Resource recycling and waste disposal industry	61,750	61,750	6,175,000	95.00%	56,557	( 2,156) (	2,048)	A subsidiary
ECOVE Environment Services Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Operating basic chemical industry and manufacture of other chemical products	186,000	186,000	18,600,000	30.00%	174,702	( 19,776) (	5,989)	An investee using equity method
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corporation	Taiwan	Refuse incineration plant's operation, machinery and equipment maintenance, etc.	251,000	251,000	25,100,000	100.00%	257,369	4,363	4,363	A subsidiary
ECOVE Environment Services Corp.	ECOVE Chiayi Energy Corp.	Taiwan	Waste services, waste clean, etc.	50,000	50,000	5,000,000	25.00%	51,928	7,707	1,927	Affiliate
ECOVE Waste Management Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Operating basic chemical industry and manufacture of other chemical products	10	10	1,000	0.002%	10	( 19,776)	-	An investee using equity method
G.D International,LLC.	. Lumberton Solar W2- 090,LLC	U.S.A.	Energy technology services, etc.	189,197	189,197	-	100.00%	541,623	42,520	42,520	A subsidiary

#### Major shareholders information

#### For the nine-month period ended September 30, 2024

Table 10

	Shares				
Name of major shareholders	Number of shares held	Ownership (%)			
CTCI Corp.	38,457,105	53.22%			

(1) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

(2) If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.