

**ECOVE ENVIRONMENT CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 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 June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six 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 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. 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 investment accounted for using equity method amounted to NT\$1,706,153 thousand and NT\$1,631,820 thousand, constituting 13% and 12% of the consolidated total assets as at June 30, 2024 and 2023, respectively, total liabilities amounted to NT\$259,666 thousand and NT\$324,175 thousand, both constituting 4% of the consolidated total liabilities as at June 30, 2024 and 2023, respectively, and total comprehensive income amounted to NT\$120,701 thousand, NT\$109,302 thousand, NT\$272,571 thousand and NT\$272,514

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thousand, constituting 30%, 29%, 34% and 35% of the consolidated total comprehensive income for the three months and six months then ended, respectively.

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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six 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.



Liao, Fu-Ming



Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

July 31, 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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,603,540	19	\$ 1,663,477	13	\$ 1,050,449	8
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		40,119	-	1,033,535	8	1,923,016	14
1120	Current financial assets at fair	6(3)						
	value through other							
	comprehensive income		114,288	1	115,601	1	127,355	1
1136	Current financial assets at	6(4) and 8						
	amortised cost		464,743	4	288,496	2	273,066	2
1140	Current contract assets	6(23) and 7	974,789	7	866,155	6	992,116	7
1150	Notes receivable, net		8	-	6	-	-	-
1170	Accounts receivable, net	6(5)	995,438	7	942,411	7	898,260	7
1180	Accounts receivable - related	7						
	parties, net		26,787	-	11,773	-	31,657	-
1200	Other receivables		7,504	-	5,777	-	2,442	-
1210	Other receivables - related	7						
	parties		81,428	1	157	-	18,344	-
1220	Current tax assets		8,011	-	7,953	-	25,517	-
130X	Inventories		95,582	1	103,512	1	84,973	1
1410	Prepayments	6(6)	184,366	1	91,937	1	183,547	1
11XX	Total current assets		5,596,603	41	5,130,790	39	5,610,742	41
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	1
1550	Investments accounted for	6(7)						
	using equity method		797,682	6	824,288	7	751,772	5
1600	Property, plant and equipment,	6(8) and 8						
	net		4,386,451	32	4,472,310	34	4,455,161	33
1755	Right-of-use assets	6(9)	151,286	1	289,983	2	262,624	2
1780	Intangible assets	6(10)	868,009	7	896,571	7	925,655	7
1840	Deferred income tax assets		39,960	-	39,406	-	38,425	-
1900	Other non-current assets	6(11), 7 and 8	1,551,251	12	1,309,330	10	1,531,627	11
15XX	Total non-current assets		7,942,586	59	7,952,512	61	8,035,610	59
1XXX	Total assets		\$ 13,539,189	100	\$ 13,083,302	100	\$ 13,646,352	100

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ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12)	\$ 191,000	1	\$ -	-	\$ 272,000	2
2110	Short-term notes and bills payable	6(13)	-	-	19,983	-	-	-
2130	Current contract liabilities	6(23) and 7	67,142	1	147,541	1	68,243	1
2150	Notes payable		12,490	-	1,643	-	5,202	-
2170	Accounts payable	6(14)	1,584,370	12	1,399,199	11	1,330,754	10
2180	Accounts payable - related parties	7	96,897	1	56,090	1	51,803	-
2200	Other payables	6(15)	808,337	6	492,201	4	776,689	6
2220	Other payables - related parties	7	637,281	5	8,878	-	930,023	7
2230	Income tax liabilities		199,170	1	299,100	2	181,451	1
2280	Current lease liabilities	7	25,238	-	39,614	-	36,508	-
2399	Other current liabilities		29,119	-	9,907	-	26,574	-
21XX	Total current liabilities		<u>3,651,044</u>	<u>27</u>	<u>2,474,156</u>	<u>19</u>	<u>3,679,247</u>	<u>27</u>
	Non-current liabilities							
2527	Non-current contract liabilities	6(23)	320,289	2	495,750	4	674,085	5
2530	Bonds payable	6(16)	1,995,173	15	1,993,916	15	1,992,638	14
2570	Deferred income tax liabilities		74,253	1	107,350	1	108,737	1
2580	Non-current lease liabilities	7	120,894	1	241,038	2	215,910	1
2600	Other non-current liabilities	6(17)	958,678	7	954,441	7	901,163	7
25XX	Total non-current liabilities		<u>3,469,287</u>	<u>26</u>	<u>3,792,495</u>	<u>29</u>	<u>3,892,533</u>	<u>28</u>
2XXX	Total liabilities		<u>7,120,331</u>	<u>53</u>	<u>6,266,651</u>	<u>48</u>	<u>7,571,780</u>	<u>55</u>
	Equity attributable to owners of parent							
	Share capital	6(20)						
3110	Common stock		718,822	5	715,590	6	708,330	5
3140	Advance receipts for share capital		2,767	-	589	-	2,514	-
	Capital surplus	6(21)						
3200	Capital surplus		2,873,652	21	2,786,873	21	2,694,544	20
	Retained earnings	6(22)						
3310	Legal reserve		1,160,704	9	1,045,141	8	1,045,141	8
3350	Unappropriated retained earnings		1,195,511	9	1,727,596	13	1,183,054	9
	Other equity interest							
3400	Other equity interest		90,282	-	46,943	-	55,198	-
3500	Treasury shares	6(20)	(57)	-	(57)	-	(57)	-
31XX	Equity attributable to owners of the parent		<u>6,041,681</u>	<u>44</u>	<u>6,322,675</u>	<u>48</u>	<u>5,688,724</u>	<u>42</u>
36XX	Non-controlling interest	4(3)	<u>377,177</u>	<u>3</u>	<u>493,976</u>	<u>4</u>	<u>385,848</u>	<u>3</u>
3XXX	Total equity		<u>6,418,858</u>	<u>47</u>	<u>6,816,651</u>	<u>52</u>	<u>6,074,572</u>	<u>45</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 13,539,189</u>	<u>100</u>	<u>\$ 13,083,302</u>	<u>100</u>	<u>\$ 13,646,352</u>	<u>100</u>

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

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2024		2023		2024		2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23) and 7	\$ 2,102,186	100	\$ 1,936,679	100	\$ 4,052,441	100	\$ 3,776,272	100
5000	Operating costs	6(28)(29) and 7	(1,644,849)	(78)	(1,523,585)	(79)	(3,153,714)	(78)	(2,916,505)	(77)
5900	Gross profit		457,337	22	413,094	21	898,727	22	859,767	23
	Operating expenses	6(28)(29) and 7								
6200	General and administrative expenses		(42,176)	(2)	(39,478)	(2)	(79,644)	(2)	(78,318)	(2)
6000	Total operating expenses		(42,176)	(2)	(39,478)	(2)	(79,644)	(2)	(78,318)	(2)
6900	Operating profit		415,161	20	373,616	19	819,083	20	781,449	21
	Non-operating income and expenses									
7100	Interest income	6(24) and 7	7,575	-	4,668	-	11,273	-	6,581	-
7010	Other income	6(25) and 7	8,480	-	5,826	-	16,297	1	12,465	-
7020	Other gains and losses	6(26)	8,230	-	2,832	-	13,926	-	7,933	-
7050	Finance costs	6(27) and 7	(5,444)	-	(8,044)	-	(10,148)	-	(15,215)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	29,866	2	46,243	3	48,818	1	62,028	2
7000	Total non-operating income and expenses		48,707	2	51,525	3	80,166	2	73,792	2
7900	Profit before income tax		463,868	22	425,141	22	899,249	22	855,241	23
7950	Income tax expense	6(30)	(86,283)	(4)	(67,032)	(3)	(157,329)	(4)	(116,576)	(3)
8200	Profit for the period		\$ 377,585	18	\$ 358,109	19	\$ 741,920	18	\$ 738,665	20
	Other comprehensive income									
	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	6(3)	\$ 9,775	-	\$ 5,945	-	(\$ 1,313)	-	\$ 34,072	1
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Cumulative translation differences of foreign operations		17,178	1	14,841	1	56,400	2	4,948	-
8300	Total other comprehensive income for the period		\$ 26,953	1	\$ 20,786	1	\$ 55,087	2	\$ 39,020	1
8500	Total comprehensive income for the period		\$ 404,538	19	\$ 378,895	20	\$ 797,007	20	\$ 777,685	21
	Profit attributable to:									
8610	Owners of the parent		\$ 331,076	16	\$ 327,153	17	\$ 628,785	15	\$ 611,115	16
8620	Non-controlling interest		46,509	2	30,956	2	113,135	3	127,550	4
	Total		\$ 377,585	18	\$ 358,109	19	\$ 741,920	18	\$ 738,665	20
	Comprehensive income attributable to:									
8710	Owners of the parent		\$ 355,006	17	\$ 343,567	18	\$ 672,124	17	\$ 650,268	18
8720	Non-controlling interest		49,532	2	35,328	2	124,883	3	127,417	3
	Total		\$ 404,538	19	\$ 378,895	20	\$ 797,007	20	\$ 777,685	21
	Earnings per share (in dollars):	6(31)								
9750	Basic earnings per share		\$ 4.60		\$ 4.61		\$ 8.75		\$ 8.63	
9850	Diluted earnings per share		\$ 4.58		\$ 4.59		\$ 8.71		\$ 8.59	

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

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
		Capital		Retained Earnings				Other Equity Interest			Total			
		Common stock	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares				
<u>Six months ended June 30, 2023</u>														
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		-	-	-	-	-	611,115	-	-	-	611,115	127,550	738,665	
Other comprehensive income (loss)		-	-	-	-	-	-	5,081	34,072	-	39,153	(133)	39,020	
Total comprehensive income		-	-	-	-	-	611,115	5,081	34,072	-	650,268	127,417	777,685	
Appropriations of 2022 earnings	6(22)													
Legal reserve		-	-	-	105,020	-	(105,020)	-	-	-	-	-	-	
Reversal of special reserve		-	-	-	-	(14,895)	14,895	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(960,073)	-	-	-	(960,073)	(247,804)	(1,207,877)	
Share-based payment transactions	6(19)(21)	-	-	5,067	-	-	-	-	-	-	5,067	19	5,086	
Employee stock options exercised	6(20)(21)	1,417	2,514	59,729	-	-	-	-	-	-	63,660	-	63,660	
Employee restricted stocks	6(19)(21)	-	-	2,867	-	-	-	-	-	-	2,867	20	2,887	
Adjustments of changes in investments accounted for using equity method	6(7)	-	-	540	-	-	-	-	-	-	540	-	540	
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 June 30, 2023		\$ 708,330	\$ 2,514	\$ 2,694,544	\$ 1,045,141	\$ -	\$ 1,183,054	\$ 4,736	\$ 50,462	(\$ 57)	\$ 5,688,724	\$ 385,848	\$ 6,074,572	
<u>Six months ended June 30, 2024</u>														
Balance at January 1, 2024		\$ 715,590	\$ 589	\$ 2,786,873	\$ 1,045,141	\$ -	\$ 1,727,596	(\$ 1,941)	\$ 48,884	(\$ 57)	\$ 6,322,675	\$ 493,976	\$ 6,816,651	
Profit for the period		-	-	-	-	-	628,785	-	-	-	628,785	113,135	741,920	
Other comprehensive income (loss)		-	-	-	-	-	-	44,652	(1,313)	-	43,339	11,748	55,087	
Total comprehensive income (loss)		-	-	-	-	-	628,785	44,652	(1,313)	-	672,124	124,883	797,007	
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)	-	-	1,014	-	-	-	-	-	-	1,014	3	1,017	
Employee stock options exercised	6(20)(21)	2,643	2,767	82,538	-	-	-	-	-	-	87,948	-	87,948	
Employee restricted stocks	6(19)(21)	-	-	2,889	-	-	-	-	-	-	2,889	17	2,906	
Adjustments of changes in investments accounted for using equity method	6(7)	-	-	338	-	-	-	-	-	-	338	-	338	
Advance receipts for share capital transferred to common stock		589	(589)	-	-	-	-	-	-	-	-	-	-	
Balance at June 30, 2024		\$ 718,822	\$ 2,767	\$ 2,873,652	\$ 1,160,704	\$ -	\$ 1,195,511	\$ 42,711	\$ 47,571	(\$ 57)	\$ 6,041,681	\$ 377,177	\$ 6,418,858	

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

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

		Six months ended June 30	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 899,249	\$ 855,241
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment loss determined in accordance with IFRS 9	12(2)	25	-
Depreciation	6(8)(28)	182,613	168,084
Depreciation - right-of-use assets	6(9)(28)	26,517	21,619
Amortization	6(28)	32,929	32,997
Interest expense	6(27)	8,982	14,319
Interest expense - lease liability	6(9)(27)	1,166	896
Interest income	6(24)	(11,273)	(6,581)
Salary expense - employee stock options	6(19)(29)	1,017	5,086
Salary expense - employee restricted stocks	6(19)(29)	2,906	2,887
Gain on valuation of financial assets	6(2)(26)	(9,441)	(9,080)
Gain from lease modification	6(26)	(3,218)	-
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(48,818)	(62,028)
(Gain) loss on disposal of property, plant and equipment	6(26)	(307)	75
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		1,016,644	(385,316)
Current contract assets	(	( 108,634)	(349,910)
Notes receivable, net	(	( 2)	6
Accounts receivable, net	(	( 53,052)	(84,904)
Accounts receivable - related parties, net	(	( 15,014)	(10,933)
Other receivables	(	( 890)	(2,605)
Other receivables - related parties		57	(32)
Inventories		7,930	15,708
Prepaid expense	(	( 92,429)	(54,337)
Other non-current assets		91,075	176,115
Changes in operating liabilities			
Contract liabilities	(	( 255,860)	(69,528)
Notes payable		10,847	542
Accounts payable		185,171	2,910
Accounts payable - related parties		40,807	39,154
Other payables	(	( 156,508)	(95,082)
Other payables - related parties		5,158	1,247
Other current liabilities		19,212	(15,774)
Other non-current liabilities		609	(3,146)
Cash inflow generated from operations		1,777,468	192,840
Interest received		10,436	6,462
Dividends received		-	28,367
Interest paid	(	( 13,745)	(20,175)
Income tax paid	(	( 291,693)	(264,115)
Income tax refund		5,494	31,833
Net cash flows from (used in) operating activities		1,487,960	(24,788)

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

	Notes	Six months ended June 30	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from (acquisition) disposal of non-current financial assets at fair value through other comprehensive income	12(3)	(\$ 27,323)	\$ 53
Increase in financial assets at amortized cost		(176,247)	(134,733)
Acquisition of property, plant and equipment	6(8)	(58,312)	(112,606)
Proceeds from disposal of property, plant and equipment		2,979	-
Decrease in refundable deposits		2,643	5,108
Acquisition of intangible assets	6(10)	(1,185)	-
Increase in other non-current assets	6(32)	(357,687)	(126,856)
Net cash flows used in investing activities		(615,132)	(369,034)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans		-	(88,000)
Increase in short-term loans		191,000	-
Decrease in short-term notes payable		(19,983)	-
Repayment of long-term loans		-	(52,920)
Repayment of lease liabilities		(20,304)	(20,399)
Increase in other payables - related parties		-	100,000
Increase in deposits received (shown in other non-current liabilities)		8,128	35,703
Cash dividends paid		(179,554)	(208,763)
Employee stock options exercised		87,948	63,660
Increase in non-controlling interests		-	3,250
Net cash flows from (used in) financing activities		67,235	(167,469)
Net increase (decrease) in cash and cash equivalents		940,063	(561,291)
Cash and cash equivalents at beginning of period		1,663,477	1,611,740
Cash and cash equivalents at end of period		\$ 2,603,540	\$ 1,050,449

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

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 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 53.29% equity interest in the Company as of July 31, 2024.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on July 31, 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting 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 between an investor and its associate or joint venture'	To be determined by 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
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) Compliance statement

- 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.

B. Subsidiaries included in the consolidated financial statements:

Name of the investor	Name of the investee	Main Activities	Ownership percentage (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
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	89.99	Note 3 Note 4 Note 6
ECOVE Environment Service Corp.	ECOVE Solvent Recycling Corporation	Environmental engineering	-	-	0.01	Note 3 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 8

Name of the investor	Name of the investee	Main Activities	Ownership percentage (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
ECOVE Environment Corp.	ECOVE Solar Power Corporation	Energy sector	100.00	-	-	Note 8
ECOVE Environment Corp.	G.D. International, LLC.	Energy sector	100.00	-	-	Note 8
ECOVE Solar Energy Corporation	ECOVE Solar Power Corporation	Energy sector	-	100.00	100.00	Note 8
ECOVE Solar Energy Corporation	ECOVE South Corporation Ltd.	Energy sector	-	100.00	100.00	Note 6 Note 8
ECOVE Solar Energy Corporation	G.D. International, LLC.	Energy sector	-	100.00	100.00	Note 8
G.D. International, LLC.	Lumberton Solar W2-090, LLC.	Energy sector	100.00	100.00	100.00	

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 interests 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 six months ended June 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 six months ended June 30, 2024 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 8: 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.

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 June 30, 2024, December 31, 2023 and June 30, 2023, the non-controlling interest amounted to \$377,177, \$493,976 and \$385,848, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
ECOVE Miaoli Energy Corp.	Taiwan	\$203,892	25.00%	\$254,111	25.00%	\$241,302	25.00%
SINO GAL-Waste Services Co., Ltd.	Macau	120,229	70.00%	186,770	70.00%	130,455	70.00%

Summarised financial information of the subsidiaries:

Balance sheets

	ECOVE Miaoli Energy Corp.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 682,407	\$ 573,197	\$ 555,145
Non-current assets	485,390	576,836	663,559
Current liabilities	(309,206)	(83,824)	(200,023)
Non-current liabilities	(43,021)	(49,765)	(53,475)
Total net assets	<u>\$ 815,570</u>	<u>\$ 1,016,444</u>	<u>\$ 965,206</u>

	SINO GAL-Waste Services Co., Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 429,332	\$ 533,791	\$ 433,732
Non-current assets	11,454	12,324	10,812
Current liabilities	(160,125)	(178,935)	(159,254)
Non-current liabilities	(108,905)	(100,366)	(98,925)
Total net assets	<u>\$ 171,756</u>	<u>\$ 266,814</u>	<u>\$ 186,365</u>

Statements of comprehensive income

	ECOVE Miaoli Energy Corp.	
	Three months ended June 30	
	2024	2023
Revenue	\$ 78,776	\$ 84,729
Profit before income tax	30,367	34,907
Income tax expense	(6,045)	(6,849)
Profit for the period	24,322	28,058
Total comprehensive income for the period	\$ 24,322	\$ 28,058
Comprehensive income attributable to non-controlling interest	\$ 6,081	\$ 7,015

	ECOVE Miaoli Energy Corp.	
	Six months ended June 30	
	2024	2023
Revenue	\$ 148,207	\$ 157,313
Profit before income tax	59,281	63,269
Income tax expense	(11,682)	(12,394)
Profit for the period	47,599	50,875
Total comprehensive income for the period	\$ 47,599	\$ 50,875
Comprehensive income attributable to non-controlling interest	\$ 11,900	\$ 12,719

	SINO GAL-Waste Services Co., Ltd.	
	Three months ended June 30	
	2024	2023
Revenue	\$ 213,231	\$ 174,242
Profit before income tax	57,921	33,082
Income tax (expense) benefit	(96)	100
Profit for the period	57,825	33,182
Other comprehensive income, net of tax	4,319	6,246
Total comprehensive income for the period	\$ 62,144	\$ 39,428
Comprehensive income attributable to non-controlling interest	\$ 43,501	\$ 27,600
Dividends paid to non-controlling interest	\$ 179,554	\$ 169,652

SINO GAL-Waste Services Co., Ltd.		
Six months ended June 30		
	2024	2023
Revenue	\$ 438,922	\$ 431,603
Profit before income tax	144,855	137,143
Income tax (expense) benefit	(191)	24,936
Profit for the period	144,664	162,079
Other comprehensive income (loss), net of tax	16,783	(190)
Total comprehensive income for the period	\$ 161,447	\$ 161,889
Comprehensive income attributable to non-controlling interest	\$ 113,013	\$ 113,322
Dividends paid to non-controlling interest	\$ 179,554	\$ 208,763

Statements of cash flows

ECOVE Miaoli Energy Corp.		
Six months ended June 30		
	2024	2023
Net cash provided by (used in) operating activities	\$ 28,190	(\$ 7,701)
Net cash used in financing activities	(1,070)	(1,070)
Increase (decrease) in cash and cash equivalents	27,120	(8,771)
Cash and cash equivalents, beginning of period	347,165	50,785
Cash and cash equivalents, end of period	\$ 374,285	\$ 42,014

SINO GAL-Waste Services Co., Ltd.		
Six months ended June 30		
	2024	2023
Net cash provided by operating activities	\$ 125,917	\$ 202,592
Net cash provided by investing activities	241,448	76,122
Net cash used in financing activities	(258,575)	(303,710)
Increase (decrease) in cash and cash equivalents	108,790	(24,996)
Cash and cash equivalents, beginning of period	37,581	194,477
Cash and cash equivalents, end of period	\$ 146,371	\$ 169,481

(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 recognised 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 recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 11,104	\$ 10,958	\$ 10,866
Checking accounts and demand deposits	2,592,436	1,422,542	997,013
Time deposits	-	229,977	42,570
Total	<u>\$ 2,603,540</u>	<u>\$ 1,663,477</u>	<u>\$ 1,050,449</u>

- 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	June 30, 2024	December 31, 2023	June 30, 2023
Current items			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 40,000	\$ 1,029,687	\$ 1,918,619
Valuation adjustment	119	3,848	4,397
Total	<u>\$ 40,119</u>	<u>\$ 1,033,535</u>	<u>\$ 1,923,016</u>

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

	Three months ended June 30	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 4,427	\$ 4,192
	Six months ended June 30	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 9,441	\$ 9,080

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

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

Items	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Equity instruments			
Listed stocks	\$ 96,118	\$ 96,118	\$ 96,118
Valuation adjustment	18,170	19,483	31,237
Total	\$ 114,288	\$ 115,601	\$ 127,355
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 June 30	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 9,775	\$ 5,945
Cumulative losses reclassified to retained earnings due to derecognition	\$ -	(\$ 28)

	Six months ended June 30	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive (loss) income	(\$ 1,313)	\$ 34,072
Cumulative losses reclassified to retained earnings due to derecognition	\$ -	(\$ 28)

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	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Restricted time deposits with original maturity within 3 months	\$ -	\$ 30,000	\$ -
Time deposits with original maturity over 3 months	464,743	258,496	273,066
	<u>\$ 464,743</u>	<u>\$ 288,496</u>	<u>\$ 273,066</u>

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

B. As at June 30, 2024, December 31, 2023 and June 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 \$464,743, \$288,496 and \$273,066, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	\$ 783,949	\$ 617,924	\$ 563,901
Long-term accounts receivable due in one year	211,560	324,533	334,359
Less: Allowance for uncollectible accounts	(71)	(46)	-
	<u>\$ 995,438</u>	<u>\$ 942,411</u>	<u>\$ 898,260</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
1 to 90 days	\$ 783,949	\$ 617,924	\$ 563,901

The above ageing analysis was based on invoice date.

B. As of June 30, 2024, December 31, 2023 and June 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

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayments for material purchases	\$ 10,353	\$ 15,065	\$ 45,019
Sub-contract costs payable	49,616	10,527	18,707
Prepaid rents	2,525	3,482	11,456
Prepaid insurance premiums	60,728	11,856	42,068
Others	61,144	51,007	66,297
	<u>\$ 184,366</u>	<u>\$ 91,937</u>	<u>\$ 183,547</u>

(7) Investments accounted for using the equity method

	2024	2023
At January 1	\$ 824,288	\$ 739,380
Share of profit or loss of investments accounted for using the equity method	48,818	62,028
Earnings distribution of investments accounted for using equity method	(81,328)	(46,615)
Changes in capital surplus	338	540
Changes in other equity items	5,566	(3,561)
At June 30	<u>\$ 797,682</u>	<u>\$ 751,772</u>

	June 30, 2024	December 31, 2023	June 30, 2023
Associates:			
CTCI Chemicals Corp.	\$ 74,936	\$ 88,198	\$ 76,393
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	419,868	435,934	385,684
Ever Ecove Corporation	125,887	119,455	105,189
Jing Ding Green Energy Technology Co., Ltd.	176,991	180,701	184,506
	<u>\$ 797,682</u>	<u>\$ 824,288</u>	<u>\$ 751,772</u>

A. Associates

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

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

(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)		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 3,529,355	\$ 3,022,360	\$ 2,790,661
Non-current assets	1,058,357	854,885	807,716
Current liabilities	(2,608,421)	(1,873,838)	(1,867,205)
Non-current liabilities	(114,469)	(51,584)	(51,471)
Total net assets	<u>\$ 1,864,822</u>	<u>\$ 1,951,823</u>	<u>\$ 1,679,701</u>
Share in associate's net assets	\$ 344,363	\$ 360,429	\$ 310,179
Goodwill	75,505	75,505	75,505
Carrying amount of the associate	<u>\$ 419,868</u>	<u>\$ 435,934</u>	<u>\$ 385,684</u>

Statement of comprehensive income

Boretech Resource Recovery Engineering Co., Ltd. (Cayman)		
Three months ended June 30		
	2024	2023
Revenue	\$ 1,315,148	\$ 1,418,786
Profit for the period from continuing operations	143,483	151,366
Other comprehensive income (loss), net of tax	18,851	(39,555)
Total comprehensive income	\$ 162,334	\$ 111,811
Dividends received from associate	\$ -	\$ 28,367

Boretech Resource Recovery Engineering Co., Ltd. (Cayman)		
Six months ended June 30		
	2024	2023
Revenue	\$ 2,296,763	\$ 1,942,168
Profit for the period from continuing operations	169,337	157,573
Other comprehensive income (loss), net of tax	30,137	(19,285)
Total comprehensive income	\$ 199,474	\$ 138,288
Dividends received from associate	\$ -	\$ 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 June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$377,814, \$388,354 and \$366,088, respectively.

Three months ended June 30		
	2024	2023
Profit for the period from continuing operations	\$ 3,370	\$ 19,486
Other comprehensive income	-	-
Total comprehensive income	\$ 3,370	\$ 19,486

	Six months ended June 30	
	2024	2023
Profit for the period from continuing operations	\$ 15,379	\$ 34,125
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 15,379</u>	<u>\$ 34,125</u>

- B. In the second 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

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Others	Total
<u>At January 1, 2024</u>						
Cost	\$ 171,667	\$ 17,358	\$ 5,644,298	\$ 142,557	\$ 28,247	\$ 6,004,127
Accumulated depreciation	-	(2,847)	(1,412,639)	(99,114)	(17,217)	(1,531,817)
	<u>\$ 171,667</u>	<u>\$ 14,511</u>	<u>\$ 4,231,659</u>	<u>\$ 43,443</u>	<u>\$ 11,030</u>	<u>\$ 4,472,310</u>
<u>Six months ended</u>						
<u>June 30, 2024</u>						
Opening net book amount	\$ 171,667	\$ 14,511	\$ 4,231,659	\$ 43,443	\$ 11,030	\$ 4,472,310
Additions	-	-	45,037	12,331	944	58,312
Transfers	-	-	8,820	-	-	8,820
Disposals	-	-	(2,629)	-	(43)	(2,672)
Depreciation charge	-	(374)	(172,345)	(7,406)	(2,488)	(182,613)
Net exchange differences	6,554	-	25,317	80	343	32,294
Closing net book amount	<u>\$ 178,221</u>	<u>\$ 14,137</u>	<u>\$ 4,135,859</u>	<u>\$ 48,448</u>	<u>\$ 9,786</u>	<u>\$ 4,386,451</u>
<u>At June 30, 2024</u>						
Cost	\$ 178,221	\$ 17,358	\$ 5,724,926	\$ 152,385	\$ 29,715	\$ 6,102,605
Accumulated depreciation	-	(3,221)	(1,589,067)	(103,937)	(19,929)	(1,716,154)
	<u>\$ 178,221</u>	<u>\$ 14,137</u>	<u>\$ 4,135,859</u>	<u>\$ 48,448</u>	<u>\$ 9,786</u>	<u>\$ 4,386,451</u>

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Others	Total
<u>At January 1, 2023</u>						
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)
	<u>\$ 171,731</u>	<u>\$ 14,653</u>	<u>\$ 4,067,572</u>	<u>\$ 36,210</u>	<u>\$ 13,232</u>	<u>\$ 4,303,398</u>
<u>Six months ended June 30, 2023</u>						
Opening net book amount	\$ 171,731	\$ 14,653	\$ 4,067,572	\$ 36,210	\$ 13,232	\$ 4,303,398
Additions	-	566	108,098	3,690	252	112,606
Transfers	-	-	200,649	-	-	200,649
Disposals	-	-	-	-	(75)	(75)
Depreciation charge	-	(335)	(159,283)	(6,307)	(2,159)	(168,084)
Net exchange differences	1,338	-	5,299	3	27	6,667
Closing net book amount	<u>\$ 173,069</u>	<u>\$ 14,884</u>	<u>\$ 4,222,335</u>	<u>\$ 33,596</u>	<u>\$ 11,277</u>	<u>\$ 4,455,161</u>
<u>At June 30, 2023</u>						
Cost	\$ 173,069	\$ 17,358	\$ 5,471,223	\$ 128,973	\$ 26,280	\$ 5,816,903
Accumulated depreciation	-	(2,474)	(1,248,888)	(95,377)	(15,003)	(1,361,742)
	<u>\$ 173,069</u>	<u>\$ 14,884</u>	<u>\$ 4,222,335</u>	<u>\$ 33,596</u>	<u>\$ 11,277</u>	<u>\$ 4,455,161</u>

- 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 \$1,049, and the interest rates for capitalisation ranged from 0% and 0.75%~1.85% for the six months ended June 30, 2024 and 2023, respectively.
- C. Transfers pertain to reclassifications from prepayments for business facilities (shown in other non-current assets).

(9) Leasing arrangements — lessee

- 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 six months ended June 30, 2024 and 2023, payments of lease commitments for short-term leases amounted to \$4,182, \$4,765, \$8,371 and \$9,867, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 56,486	\$ 94,576	\$ 82,079
Buildings	86,082	186,934	169,508
Transportation equipment	5,989	5,451	7,387
Other equipment	2,729	3,022	3,650
	<u>\$ 151,286</u>	<u>\$ 289,983</u>	<u>\$ 262,624</u>

	Three months ended June 30	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 3,695	\$ 3,455
Buildings	9,825	5,601
Transportation equipment	1,207	1,536
Other equipment	892	357
	<u>\$ 15,619</u>	<u>\$ 10,949</u>

	Six months ended June 30	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 6,899	\$ 6,917
Buildings	15,478	11,005
Transportation equipment	2,356	3,012
Other equipment	1,784	685
	<u>\$ 26,517</u>	<u>\$ 21,619</u>

- D. For the three months and six months ended June 30, 2024 and 2023, the additions to right-of-use assets were \$19,079, \$4,744, \$24,390 and \$5,703, respectively.

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

	Three months ended June 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 479	\$ 454
Expense on short-term lease contracts	4,182	4,765
Expense on leases of low-value assets	314	373
Expense on variable lease payments	16,019	18,048
Gain from lease modification	3,214	-
	Six months ended June 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,166	\$ 896
Expense on short-term lease contracts	8,371	9,867
Expense on leases of low-value assets	594	725
Expense on variable lease payments	36,512	31,834
Gain from lease modification	3,218	-

F. For the six months ended June 30, 2024 and 2023, the Group's total cash outflow for leases amounted to \$65,781 and \$62,825, 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			
	Franchise	Goodwill	Computer software	Total
At January 1, 2024				
Cost	\$ 888,190	\$ 136,153	\$ 560	\$ 1,024,903
Accumulated amortisation and impairment	(128,295)	-	(37)	(128,332)
	<u>\$ 759,895</u>	<u>\$ 136,153</u>	<u>\$ 523</u>	<u>\$ 896,571</u>
Opening net book amount as at January 1, 2024	\$ 759,895	\$ 136,153	\$ 523	\$ 896,571
Additions	-	-	1,185	1,185
Amortisation charge	(29,606)	-	(141)	(29,747)
Closing net book amount as at June 30, 2024	<u>\$ 730,289</u>	<u>\$ 136,153</u>	<u>\$ 1,567</u>	<u>\$ 868,009</u>
At June 30, 2024				
Cost	\$ 888,190	\$ 136,153	\$ 1,745	\$ 1,026,088
Accumulated amortisation and impairment	(157,901)	-	(178)	(158,079)
	<u>\$ 730,289</u>	<u>\$ 136,153</u>	<u>\$ 1,567</u>	<u>\$ 868,009</u>
2023				
	Franchise	Goodwill	Total	
At January 1, 2023				
Cost	\$ 888,190	\$ 136,153	\$ 1,024,343	
Accumulated amortisation and impairment	(69,082)	-	(69,082)	
	<u>\$ 819,108</u>	<u>\$ 136,153</u>	<u>\$ 955,261</u>	
Opening net book amount as at January 1, 2023	\$ 819,108	\$ 136,153	\$ 955,261	
Amortisation charge	(29,606)	-	(29,606)	
Closing net book amount as at June 30, 2023	<u>\$ 789,502</u>	<u>\$ 136,153</u>	<u>\$ 925,655</u>	
At June 30, 2023				
Cost	\$ 888,190	\$ 136,153	\$ 1,024,343	
Accumulated amortisation and impairment	(98,688)	-	(98,688)	
	<u>\$ 789,502</u>	<u>\$ 136,153</u>	<u>\$ 925,655</u>	

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

	Three months ended June 30	
	2024	2023
Operating costs	<u>\$ 14,944</u>	<u>\$ 14,803</u>

	Six months ended June 30	
	2024	2023
Operating costs	\$ 29,747	\$ 29,606

- 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 and non-current contract liabilities, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Long-term accounts receivable	\$ 684,062	\$ 885,536	\$ 1,065,954
Less: Current portion	(211,560)	(324,533)	(334,359)
	472,502	561,003	731,595
Refundable deposits	28,194	30,837	30,321
Prepayments for business facilities	276,420	117,360	166,258
Restricted bank deposits	233,820	49,559	49,464
Contract fulfillment cost	29,009	34,429	34,257
Prepayments for land purchases	475,380	475,380	475,380
Others	35,926	40,762	44,352
	<u>\$ 1,551,251</u>	<u>\$ 1,309,330</u>	<u>\$ 1,531,627</u>

- 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	June 30, 2024	Interest rate range	Collateral
Secured borrowings	\$ 191,000	1.83% ~ 1.97%	Note 1, 2
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Secured borrowings	\$ -	-	-
Type of borrowings	June 30, 2023	Interest rate range	Collateral
Secured borrowings	\$ 272,000	1.78% ~ 1.93%	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 June 30, 2024, December 31, 2023 and June 30, 2023 amounting to \$170,000, \$0 and \$150,000, respectively.

(13) Short-term notes and bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper payable	\$ -	\$ 20,000	\$ -
Discount on commercial papers payable	-	(17)	-
	\$ -	\$ 19,983	\$ -
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

	June 30, 2024	December 31, 2023	June 30, 2023
Materials payable	\$ 57,415	\$ 75,718	\$ 51,087
Sub-contract costs payable	214,475	237,757	180,367
Incinerator equipment costs payable	215,424	164,825	183,564
Maintenance costs payable	945,624	796,347	814,150
Others	151,432	124,552	101,586
	\$ 1,584,370	\$ 1,399,199	\$ 1,330,754

(15) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Accrued payroll	\$ 206,451	\$ 347,859	\$ 217,225
Payables on equipment	1,401	6,947	2,605
Insurance payable	15,619	16,167	15,704
Payables on employees' compensation	25,949	15,164	24,713
Dividend payable	484,210	-	439,181
Other payables	74,707	106,064	77,261
	<u>\$ 808,337</u>	<u>\$ 492,201</u>	<u>\$ 776,689</u>

(16) Bonds payable

	June 30, 2024	December 31, 2023	June 30, 2023
Bonds payable	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Less: Discount on bonds payable	(4,827)	(6,084)	(7,362)
	<u>\$ 1,995,173</u>	<u>\$ 1,993,916</u>	<u>\$ 1,992,638</u>

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 six months ended June 30, 2024 and 2023 were \$3,657, \$3,657, \$7,307 and \$7,307, respectively.

(17) Other non-current liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Net defined benefit liability	\$ 46,396	\$ 47,465	\$ 49,234
Accrued recovery costs	319,839	327,122	313,235
Guaranteed deposits received	434,169	426,041	378,370
Deferred revenue	99,799	101,030	109,469
Others	58,475	52,783	50,855
	<u>\$ 958,678</u>	<u>\$ 954,441</u>	<u>\$ 901,163</u>

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 recognised pension expenses of \$1,148, \$1,424, \$2,403 and \$2,861 in the statement of comprehensive income for the three months and six months ended June 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 six months ended June 30, 2024 and 2023 were \$9,503, \$9,423, \$19,403 and \$18,780, respectively.

(c) SINO GAL-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 six months ended June 30, 2024 and 2023 were \$3,350, \$2,907, \$6,484 and \$5,642, respectively.

(19) Share-based payment

A. For the six months ended June 30, 2024 and 2023, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting 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:

	Six months ended June 30			
	2024		2023	
	No. of units (in thousands)	Weighted- average exercise price (in dollars)	No. of units (in thousands)	Weighted- average exercise price (in dollars)
Stock options				
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	-	-	-	-
Options exercised	(58)	NT\$128.00	(122)	NT\$133.80
Options revoked	-	-	-	-
Options outstanding at end of period	<u>19</u>	NT\$128.00	<u>141</u>	NT\$133.80
Options exercisable at end of period	<u>19</u>	NT\$128.00	<u>141</u>	NT\$133.80

(b) Seventh plan of employee stock options:

Stock options	Six months ended June 30			
	2024		2023	
	No. of units (in thousands)	Weighted- average exercise price (in dollars)	No. of units (in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of period	437	NT\$165.90	819	NT\$173.50
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options waived	-	-	(6)	-
Options exercised	(233)	NT\$165.90	(93)	NT\$173.50
Options revoked	-	-	-	-
Options outstanding at end of period	<u>204</u>	NT\$165.90	<u>720</u>	NT\$173.50
Options exercisable at end of period	<u>204</u>	NT\$165.90	<u>223</u>	NT\$173.50

(c) Eighth plan of employee stock options:

	Six months ended June 30			
	2024		2023	
	No. of units (in thousands)	Weighted- average exercise price (in dollars)	No. of units (in thousands)	Weighted- average exercise price (in dollars)
Stock options				
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	(4)	-	(16)	-
Options exercised	(249)	NT\$167.50	(178)	NT\$175.20
Options revoked	-	-	-	-
Options outstanding at end of period	<u>486</u>	NT\$167.50	<u>904</u>	NT\$175.20
Options exercisable at end of period	<u>486</u>	NT\$167.50	<u>387</u>	NT\$175.20

C. The weighted-average stock price of stock options at exercise dates for the six months ended June 30, 2024 and 2023 was NT\$306.04 and NT\$284.17 (in dollars), respectively.

D. As of June 30, 2024, December 31, 2023 and June 30, 2023, the range of exercise prices of stock options outstanding was \$128.00~\$167.50, \$128.00~\$175.20 and \$133.80~\$175.20 (in dollars), respectively; the weighted-average remaining contractual period was as follows:

Type of arrangement	June 30, 2024	December 31, 2023	June 30, 2023
Sixth plan of employee stock options	-	0.5 years	1 years
Seventh plan of employee stock options	1 years	1.5 years	2 years
Eighth plan of employee stock options	1.75 years	2.25 years	2.75 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 ended June 30	
	2024	2023
Equity-settled	\$ 319	\$ 2,300
	Six months ended June 30	
	2024	2023
Equity-settled	\$ 1,017	\$ 5,086

- 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 six months ended June 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 June 30	
	2024	2023
Equity-settled	\$ 1,455	\$ 1,460
	Six months ended June 30	
	2024	2023
Equity-settled	\$ 2,906	\$ 2,887

(20) Share capital

A. As of June 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 \$718,822 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	540,969	393,112
At June 30	72,158,820	71,084,417

B. As of June 30, 2024, December 31, 2023 and June 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 June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of the shares of the Company held by ECOVE Waste Management Corp. are as follows:

	June 30, 2024	
	Number of shares	Carrying amount
ECOVE Waste Management Corp.	1,605	\$ 57
	December 31, 2023	
	Number of shares	Carrying amount
ECOVE Waste Management Corp.	1,605	\$ 57
	June 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	82,538	-	-	-	-	82,538
Employee restricted stocks	-	-	2,889	-	-	2,889
Share-based payment transaction	-	1,014	-	-	-	1,014
Adjustments of changes in investments accounted for using equity method	-	-	160	-	178	338
At June 30, 2024	<u>\$ 2,746,999</u>	<u>\$ 86,266</u>	<u>\$ 12,800</u>	<u>\$ 201</u>	<u>\$ 27,386</u>	<u>\$ 2,873,652</u>

	Share premium	Employee stock options	Employee restricted stocks		Changes in equity of associates and joint ventures accounted for using equity method	Total
At January 1, 2023	\$ 2,515,472	\$ 80,514	\$ 3,697		\$ 26,658	\$ 2,626,341
Employee stock options exercised	59,729	-		-	-	59,729
Employee restricted stocks	-	-		2,867	-	2,867
Share-based payment transaction	-	5,067		-	-	5,067
Adjustments of changes in investments accounted for using equity method	-	4	160		376	540
At June 30, 2023	<u>\$ 2,575,201</u>	<u>\$ 85,585</u>	<u>\$ 6,724</u>		<u>\$ 27,034</u>	<u>\$ 2,694,544</u>

(22) Retained earnings

- 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	<u>\$ 1,160,870</u>	<u>\$ 1,050,198</u>

- 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 June 30	
	2024	2023
Revenue from contracts	<u>\$ 2,102,186</u>	<u>\$ 1,936,679</u>
	Six months ended June 30	
	2024	2023
Revenue from contracts	<u>\$ 4,052,441</u>	<u>\$ 3,776,272</u>

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				
<u>June 30, 2024</u>	<u>Domestic</u>	<u>Macau</u>	<u>United States</u>	<u>Total</u>
Total segment revenue	\$ 2,199,405	\$ 258,523	\$ 22,976	\$ 2,480,904
Inter-segment revenue	(355,769)	(22,949)	-	(378,718)
Revenue from external customer contracts	<u>\$ 1,843,636</u>	<u>\$ 235,574</u>	<u>\$ 22,976</u>	<u>\$ 2,102,186</u>
Timing of revenue recognition over a period of time	<u>\$ 1,843,636</u>	<u>\$ 235,574</u>	<u>\$ 22,976</u>	<u>\$ 2,102,186</u>
Three months ended				
<u>June 30, 2023</u>	<u>Domestic</u>	<u>Macau</u>	<u>United States</u>	<u>Total</u>
Total segment revenue	\$ 2,051,600	\$ 209,023	\$ 24,389	\$ 2,285,012
Inter-segment revenue	(333,853)	(14,480)	-	(348,333)
Revenue from external customer contracts	<u>\$ 1,717,747</u>	<u>\$ 194,543</u>	<u>\$ 24,389</u>	<u>\$ 1,936,679</u>
Timing of revenue recognition over a period of time	<u>\$ 1,717,747</u>	<u>\$ 194,543</u>	<u>\$ 24,389</u>	<u>\$ 1,936,679</u>
Six months ended				
<u>June 30, 2024</u>	<u>Domestic</u>	<u>Macau</u>	<u>United States</u>	<u>Total</u>
Total segment revenue	\$ 4,217,020	\$ 527,866	\$ 73,537	\$ 4,818,423
Inter-segment revenue	(721,022)	(44,960)	-	(765,982)
Revenue from external customer contracts	<u>\$ 3,495,998</u>	<u>\$ 482,906</u>	<u>\$ 73,537</u>	<u>\$ 4,052,441</u>
Timing of revenue recognition over a period of time	<u>\$ 3,495,998</u>	<u>\$ 482,906</u>	<u>\$ 73,537</u>	<u>\$ 4,052,441</u>

Six months ended June 30, 2023	Domestic	Macau	United States	Total
Total segment revenue	\$ 3,900,618	\$ 530,738	\$ 84,456	\$ 4,515,812
Inter-segment revenue	(689,610)	(49,930)	-	(739,540)
Revenue from external customer contracts	<u>\$ 3,211,008</u>	<u>\$ 480,808</u>	<u>\$ 84,456</u>	<u>\$ 3,776,272</u>
Timing of revenue recognition over a period of time	<u>\$ 3,211,008</u>	<u>\$ 480,808</u>	<u>\$ 84,456</u>	<u>\$ 3,776,272</u>

B. Contract assets and liabilities

(a) Contract assets:

	June 30, 2024	December 31, 2023	June 30, 2023
Estimated accounts receivable	<u>\$ 974,789</u>	<u>\$ 866,155</u>	<u>\$ 992,116</u>

(b) Contract liabilities:

	June 30, 2024	December 31, 2023	June 30, 2023
Receipts in advance	\$ 67,142	\$ 147,541	\$ 68,243
Construction contract	<u>320,289</u>	<u>495,750</u>	<u>674,085</u>
	<u>\$ 387,431</u>	<u>\$ 643,291</u>	<u>\$ 742,328</u>

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

	Three months ended June 30	
	2024	2023
Receipts in advance	\$ 31,614	\$ 7,018
Construction contract	<u>82,938</u>	<u>40,755</u>
	<u>\$ 114,552</u>	<u>\$ 47,773</u>
	Six months ended June 30	
	2024	2023
Receipts in advance	\$ 133,682	\$ 27,791
Construction contract	<u>175,461</u>	<u>95,553</u>
	<u>\$ 309,143</u>	<u>\$ 123,344</u>

(24) Interest income

		Three months ended June 30	
		2024	2023
Interest income from bank deposits	\$	6,796	\$ 4,658
Other interest income		779	10
	\$	<u>7,575</u>	<u>\$ 4,668</u>
		Six months ended June 30	
		2024	2023
Interest income from bank deposits	\$	10,456	\$ 6,557
Other interest income		817	24
	\$	<u>11,273</u>	<u>\$ 6,581</u>

(25) Other income

		Three months ended June 30	
		2024	2023
Income from government grants	\$	3,591	\$ 3,442
Income from sale of scraps		3,793	2,245
Others		1,096	139
	\$	<u>8,480</u>	<u>\$ 5,826</u>
		Six months ended June 30	
		2024	2023
Income from government grants	\$	7,082	\$ 6,850
Income from sale of scraps		6,149	4,433
Others		3,066	1,182
	\$	<u>16,297</u>	<u>\$ 12,465</u>

(26) Other gains and losses

		Three months ended June 30	
		2024	2023
Losses on disposals of property, plant and equipment	(\$	43)	(\$ 2)
Gains from lease modification		3,214	-
Foreign exchange gains (losses)		646	(1,316)
Gains on financial assets at fair value through profit or loss		4,427	4,192
Miscellaneous disbursements	(	14)	(42)
	\$	<u>8,230</u>	<u>\$ 2,832</u>

	Six months ended June 30	
	2024	2023
Gains (losses) on disposals of property, plant and equipment	\$ 307	(\$ 75)
Gains from lease modification	3,218	-
Foreign exchange gains (losses)	977	(1,026)
Gains on financial assets at fair value through profit or loss	9,441	9,080
Miscellaneous disbursements	(17)	(46)
	<u>\$ 13,926</u>	<u>\$ 7,933</u>

(27) Finance cost

	Three months ended June 30	
	2024	2023
Interest expense	\$ 1,308	\$ 4,673
Interest expense arising from corporate bonds	3,657	3,657
Interest expense arising from lease liabilities	479	454
Less: Capitalised interest payments	-	(740)
	<u>\$ 5,444</u>	<u>\$ 8,044</u>

	Six months ended June 30	
	2024	2023
Interest expense	\$ 1,675	\$ 8,061
Interest expense arising from corporate bonds	7,307	7,307
Interest expense arising from lease liabilities	1,166	896
Less: Capitalised interest payments	-	(1,049)
	<u>\$ 10,148</u>	<u>\$ 15,215</u>

(28) Expenses by nature

	Three months ended June 30	
	2024	2023
Employee benefit expense	\$ 320,258	\$ 326,410
Depreciation charges on property, plant and equipment	91,561	85,500
Depreciation charges on right-of-use assets	15,619	10,949
Amortisation	16,493	16,501
Incinerator equipment costs	161,949	141,129
Materials	306,594	271,338
Sub-contract costs	558,470	496,687
Insurance	52,831	32,622
Other expenses	163,250	181,927
Operating costs and expenses	<u>\$ 1,687,025</u>	<u>\$ 1,563,063</u>

	Six months ended June 30	
	2024	2023
Employee benefit expense	\$ 672,460	\$ 662,289
Depreciation charges on property, plant and equipment	182,613	168,084
Depreciation charges on right-of-use assets	26,517	21,619
Amortisation	32,929	32,997
Incinerator equipment costs	310,975	268,336
Materials	601,860	556,591
Sub-contract costs	891,606	810,174
Insurance	80,341	54,602
Other expenses	434,057	420,131
Operating costs and expenses	<u>\$ 3,233,358</u>	<u>\$ 2,994,823</u>

(29) Employee benefit expense

	Three months ended June 30	
	2024	2023
Salaries	\$ 264,343	\$ 272,640
Employee stock options	319	2,300
Employee restricted stocks	1,455	1,460
Labor and health insurance fees	20,161	19,198
Pension costs	14,001	13,754
Other personnel expenses	19,979	17,058
	<u>\$ 320,258</u>	<u>\$ 326,410</u>

	Six months ended June 30	
	2024	2023
Salaries	\$ 559,924	\$ 554,381
Employee stock options	1,017	5,086
Employee restricted stocks	2,906	2,887
Labor and health insurance fees	44,012	41,281
Pension costs	28,290	27,283
Other personnel expenses	36,311	31,371
	<u>\$ 672,460</u>	<u>\$ 662,289</u>

A. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had 1,189, 1,086 and 1,088 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 six months ended June 30, 2024 and 2023, employees' compensation was accrued at \$91, \$92, \$124 and \$183, respectively; directors' and supervisors' remuneration was accrued at \$1,300, \$1,300, \$2,600 and \$2,600, 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 June 30	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 114,836	\$ 100,471
Prior year income tax over estimation	(61)	(10,036)
Total current tax	114,775	90,435
Deferred tax:		
Origination and reversal of temporary differences	(28,337)	(23,539)
Effect of exchange rate changes	(155)	136
Income tax expense	<u>\$ 86,283</u>	<u>\$ 67,032</u>

	Six months ended June 30	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 191,496	\$ 179,808
Prior year income tax over estimation	(61)	(34,869)
Total current tax	191,435	144,939
Deferred tax:		
Origination and reversal of temporary differences	(33,651)	(28,515)
Effect of exchange rate changes	(455)	152
Income tax expense	<u>\$ 157,329</u>	<u>\$ 116,576</u>

B. As of June 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 months ended June 30, 2024		
		Weighted average number of ordinary shares outstanding	Earnings per share
	<u>Amount after tax</u>	<u>(shares in thousands)</u>	<u>(in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 331,076	72,009	<u>\$ 4.60</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	331	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 331,076</u>	<u>72,340</u>	<u>\$ 4.58</u>

Six months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 628,785	71,879	<u>\$ 8.75</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	326	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 628,785</u>	<u>72,205</u>	<u>\$ 8.71</u>
Three months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 327,153	70,916	<u>\$ 4.61</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	341	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 327,153</u>	<u>71,257</u>	<u>\$ 4.59</u>

Six months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 611,115	70,847	<u>\$ 8.63</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	310	
Employees' compensation	-	1	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 611,115</u>	<u>71,158</u>	<u>\$ 8.59</u>

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

Six months ended June 30		
	2024	2023
Changes in other non-current assets	\$ 352,141	\$ 119,702
Add: Beginning balance of payable on equipment	6,947	9,759
Less: Ending balance of payable on equipment	(1,401)	(2,605)
Cash paid during the period	<u>\$ 357,687</u>	<u>\$ 126,856</u>

B. Financing activities with no cash flow effects

Six months ended June 30		
	2024	2023
Cash dividends declared but yet to be paid	<u>\$ 1,107,455</u>	<u>\$ 999,114</u>

(33) Changes in liabilities from financing activities

The Group's liabilities from financing activities for the six months ended June 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
	Liabilities from financing activities-gross	Liabilities from financing activities-gross
At January 1	\$ 2,294,551	\$ 2,669,799
Changes in cash flow from financing activities	150,713	(161,319)
Changes in other equity items	(112,959)	8,576
At June 30	<u>\$ 2,332,305</u>	<u>\$ 2,517,056</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by CTCI Corporation (incorporated in R.O.C.), which owns 53.29% of the Company's shares. The remaining 46.71% 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
Boretech Resource Recovery Engineering Co.,Ltd	Associate
CTCI Education Foundation	Other related party
CTCI Foundation	Other related party
Topco Scientific Co.,Ltd.	Other related party
Topco Internation Investment Co.,Ltd.	Other related party
Blue Whale Water Technologies Corporation	Other related party
HDEC-CTCI (Linhai) Corporation	Other related party

(3) Significant transactions and balances with related parties

A. Operating revenue

	Three months ended June 30	
	2024	2023
Operating revenue:		
Ultimate parent company	\$ 16,667	\$ 13,089
Associates	72,671	30,921
Other related party	1,347	-
	<u>\$ 90,685</u>	<u>\$ 44,010</u>
	Six months ended June 30	
	2024	2023
Operating revenue:		
Ultimate parent company	\$ 32,416	\$ 21,682
Associates	114,737	54,992
Other related party	1,831	628
	<u>\$ 148,984</u>	<u>\$ 77,302</u>

- (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 June 30	
	2024	2023
Ultimate parent company	\$ 4,354	\$ 7,232
Associates	77,937	69,160
	<u>\$ 82,291</u>	<u>\$ 76,392</u>
	Six months ended June 30	
	2024	2023
Ultimate parent company	\$ 15,170	\$ 9,593
Associates	151,228	152,393
	<u>\$ 166,398</u>	<u>\$ 161,986</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Ultimate parent company	\$ 24,779	\$ 10,768	\$ 30,961
Associates	1,837	68	696
Other related party	171	937	-
	<u>\$ 26,787</u>	<u>\$ 11,773</u>	<u>\$ 31,657</u>

D. Contract assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Associates	<u>\$ 96,944</u>	<u>\$ 19,588</u>	<u>\$ 46,521</u>

E. Contract liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Associates	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 33</u>

F. Accounts payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Associates	\$ 83,357	\$ 42,528	\$ 43,363
Ultimate parent company	13,540	13,562	8,440
	<u>\$ 96,897</u>	<u>\$ 56,090</u>	<u>\$ 51,803</u>

G. Other receivables - related parties

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other receivables:			
Associates (Note)	<u>\$ 81,428</u>	<u>\$ 157</u>	<u>\$ 18,344</u>

Note: The above receivables arose from cash dividends and apportioned office expenses.

H. Loans to related parties

(a) Loans from related parties – Outstanding balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
CTCI Resources Engineering Inc.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,000</u>

(b) Loans from related parties – Interest expense

	Three months ended June 30	
	2024	2023
Associates (Note)	\$ -	\$ 1,076
	Six months ended June 30	
	2024	2023
Associates (Note)	\$ -	\$ 1,965

Note: The loans from related party are repayable monthly and carry interest at 0% and 1.325%~1.8% per annum for the six months ended June 30, 2024 and 2023, respectively.

(c) Loans to related parties – Interest income

	Three months ended June 30	
	2024	2023
Associates (Note)	\$ 766	\$ -
	Six months ended June 30	
	2024	2023
Associates (Note)	\$ 766	\$ -

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

I. Other income

	Three months ended June 30	
	2024	2023
Ultimate parent company	\$ -	\$ 2
Associates	-	400
Other related parties	-	37
	\$ -	\$ 439
	Six months ended June 30	
	2024	2023
Ultimate parent company	\$ -	\$ 2
Associates	750	400
Other related parties	500	537
	\$ 1,250	\$ 939

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

J. Operating expenses

		Three months ended June 30	
		2024	2023
Ultimate parent company	\$	5,368	\$ 1,309
Associates		467	619
	\$	<u>5,835</u>	<u>\$ 1,928</u>
		Six months ended June 30	
		2024	2023
Ultimate parent company	\$	8,027	\$ 4,733
Associates		897	1,135
	\$	<u>8,924</u>	<u>\$ 5,868</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Ultimate parent company	\$ 12,350	\$ 8,865	\$ 9,577
Associates	1,686	13	513
	<u>\$ 14,036</u>	<u>\$ 8,878</u>	<u>\$ 10,090</u>

(b) Dividends payable

	June 30, 2024	December 31, 2023	June 30, 2023
Ultimate parent company	\$ 557,106	\$ -	\$ 519,405
Associates	4,000	-	3,729
Other related parties	62,139	-	36,799
	<u>\$ 623,245</u>	<u>\$ -</u>	<u>\$ 559,933</u>

L. Leasing arrangements - lessee

(a) As of June 30, 2024, the main lease contracts between the Group and related parties are as follows:

<u>Lessor</u>	<u>Lease object</u>	<u>Payment method</u>	<u>Lease term</u>
Ultimate parent company	Buildings and structures	\$73/year	2019.1.1~2028.12.7
Associates	"	\$285/year	2010.7.22~2029.7.21
Associates	"	\$14,927/year	2021.8.1~2031.7.31

(b) Acquisition of right-of-use assets

	<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Ultimate parent company	\$ -	\$ 366

(c) Lease liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Ultimate parent company	\$ 566	\$ 646	\$ 994
Associates	82,590	105,698	112,935
	<u>\$ 83,156</u>	<u>\$ 106,344</u>	<u>\$ 113,929</u>

(d) Interest expense on lease liabilities

	<u>Three months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Ultimate parent company	\$ 1	\$ 5
Associates	170	194
	<u>\$ 171</u>	<u>\$ 199</u>
	<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Ultimate parent company	\$ 2	\$ 6
Associates	345	394
	<u>\$ 347</u>	<u>\$ 400</u>

M. Property transactions

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

	<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Associates	\$ -	\$ 15,774

N. Endorsements and guarantees for others

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	\$ 1,925,600	\$ 1,925,600	\$ 1,936,100
Other related parties	293,000	293,000	293,000
	<u>\$ 2,218,600</u>	<u>\$ 2,218,600</u>	<u>\$ 2,229,100</u>

(4) Key management compensation

	Three months ended June 30	
	2024	2023
Salaries and other short-term employee benefits	\$ 12,967	\$ 11,758
Post-employment benefits	259	353
Total	<u>\$ 13,226</u>	<u>\$ 12,111</u>
	Six months ended June 30	
	2024	2023
Salaries and other short-term employee benefits	\$ 25,476	\$ 23,100
Post-employment benefits	573	706
Total	<u>\$ 26,049</u>	<u>\$ 23,806</u>

8. PLEDGED ASSETS

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

Assets	Book value			Purposes
	June 30, 2024	December 31, 2023	June 30, 2023	
Current financial assets at amortised cost	\$ -	\$ 30,000	\$ -	Guarantee for bid
Property, plant and equipment	526,900	543,778	563,217	Guarantee for long-term and short-term loans
Other non-current assets				
Guarantee deposits paid	28,194	30,837	30,321	Guarantee for bid, rent, performance guarantee, tender bond and staff dormitory
Restricted bank	233,820	49,559	49,464	Guarantee for bid
	<u>\$ 788,914</u>	<u>\$ 654,174</u>	<u>\$ 643,002</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those items which have been disclosed in Note 6(11), the significant commitments and contingent liabilities of the Group as of June 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 June 30, 2024, the guarantee notes issued amounted to \$8,999,592.
- (2) As of June 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 \$1,474,234.
- (3) As of June 30, 2024, the Group had outstanding commitments for service contracts amounting to \$2,309,341.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(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 June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Total borrowings	\$ <u>2,186,173</u>	\$ <u>2,013,899</u>	\$ <u>2,624,638</u>
Total equity	\$ <u>6,418,858</u>	\$ <u>6,816,651</u>	\$ <u>6,074,572</u>
Gearing ratio	<u>34%</u>	<u>30%</u>	<u>43%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 40,119	\$ 1,033,535	\$ 1,923,016
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	262,235	236,225	197,701
Financial assets at amortised cost			
Cash and cash equivalents	2,603,540	1,663,477	1,050,449
Financial assets at amortised cost	464,743	288,496	273,066
Notes receivable	8	6	-
Accounts receivable	995,438	942,411	898,260
Accounts receivable - related parties	26,787	11,773	31,657
Other receivables	7,504	5,777	2,442
Other receivables - related parties	81,428	157	18,344
Guarantee deposits paid	28,194	30,837	30,321
Long-term accounts receivable	472,502	561,003	731,595
Other financial assets	233,820	49,559	49,464
	<u>\$ 5,216,318</u>	<u>\$ 4,823,256</u>	<u>\$ 5,206,315</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 191,000	\$ -	\$ 272,000
Short-term notes and bills payable	-	19,983	-
Notes payable	12,490	1,643	5,202
Accounts payable	1,584,370	1,399,199	1,330,754
Accounts payable - related parties	96,897	56,090	51,803
Other payables	808,337	492,201	776,689
Other payables - related parties	637,281	8,878	930,023
Bonds payable	1,995,173	1,993,916	1,992,638
Guarantee deposits received	434,169	426,041	378,370
	<u>\$ 5,759,717</u>	<u>\$ 4,397,951</u>	<u>\$ 5,737,479</u>
Lease liability	<u>\$ 146,132</u>	<u>\$ 280,652</u>	<u>\$ 252,418</u>

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:

	June 30, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 82	32.4970	\$ 2,665
MOP : NTD	19,438	4.0344	78,421
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	\$ 792	4.0344	\$ 3,195

December 31, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 392	30.6800	\$ 12,027
MOP : NTD	29,423	3.8066	112,002
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	\$ 7,327	3.8066	\$ 27,891
June 30, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 379	31.0690	\$ 11,775
MOP : NTD	43,144	3.8460	165,932
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	\$ 5,807	3.8460	\$ 22,334

- v. The unrealized exchange gain arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2024 and 2023 amounted to \$663, \$339, \$1,482 and \$386, respectively.

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

Six months ended June 30, 2024				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency : functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1.00%	\$ 27	\$	-
MOP : NTD	1.00%	784		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
MOP : NTD	1.00%	32		-
Six months ended June 30, 2023				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency : functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1.00%	\$ 118	\$	-
MOP : NTD	1.00%	1,659		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
MOP : NTD	1.00%	223		-

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 six months ended June 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 June 30, 2024, December 31, 2023 and June 30, 2023, the provision matrix is as follows:

	Excellent customers (Note 1)	General customers (Note 2)	Total
<u>At June 30, 2024</u>			
Expected loss rate	0%~0.03%	0%~0.03%	
Total book value	\$ 1,252,275	\$ 242,531	\$ 1,494,806
Loss allowance	\$ -	(\$ 71)	(\$ 71)
	Excellent customers (Note 1)	General customers (Note 2)	Total
<u>At December 31, 2023</u>			
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 customers (Note 1)	General customers (Note 2)	Total
<u>At June 30, 2023</u>			
Expected loss rate	0%~0.03%	0%~0.03%	
Total book value	\$ 1,481,768	\$ 179,744	\$ 1,661,512
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	Accounts receivable
At January 1	\$ 46	\$ -
Provision for impairment	25	-
At June 30	\$ 71	\$ -

(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.

Non-derivative financial liabilities

June 30, 2024	Less than 1 year	Over 1 year
Short-term borrowings	\$ 191,207	\$ -
Notes payable	12,490	-
Accounts payable (including related parties)	1,681,267	-
Other payables (including related parties)	1,445,618	-
Lease liabilities	25,946	124,646
Bonds payable	12,100	2,010,940
Other non-current liabilities	-	434,169

Non-derivative financial liabilities

December 31, 2023	Less 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

June 30, 2023

	<u>Less than 1 year</u>	<u>Over 1 year</u>
Short-term borrowings	\$ 273,206	\$ -
Notes payable	5,202	-
Accounts payable (including related parties)	1,382,557	-
Other payables (including related parties)	1,706,712	-
Lease liabilities	36,652	223,960
Bonds payable	12,100	2,023,040
Other non-current liabilities	-	378,370

(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:

<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u> <u>measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 40,119	\$ -	\$ -	\$ 40,119
Financial assets at fair value through other comprehensive income				
Equity securities	114,288	-	147,947	262,235
	<u>\$ 154,407</u>	<u>\$ -</u>	<u>\$ 147,947</u>	<u>\$ 302,354</u>

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
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	<u>115,601</u>	<u>-</u>	<u>120,624</u>	<u>236,225</u>
	<u>\$ 1,149,136</u>	<u>\$ -</u>	<u>\$ 120,624</u>	<u>\$ 1,269,760</u>
June 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,923,016	\$ -	\$ -	\$ 1,923,016
Financial assets at fair value through other comprehensive income				
Equity securities	<u>127,355</u>	<u>-</u>	<u>70,346</u>	<u>197,701</u>
	<u>\$ 2,050,371</u>	<u>\$ -</u>	<u>\$ 70,346</u>	<u>\$ 2,120,717</u>

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

	<u>Listed shares</u>	<u>Open-end fund</u>
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 six months ended June 30, 2024 and 2023, there were no transfers between Level 1 and Level 2.

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

	2024	2023
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other 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 June 30	<u>\$ 147,947</u>	<u>\$ 70,346</u>

- 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 June 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 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 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 June 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. SUPPLEMENTARY DISCLOSURES

(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 paid-in 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:

	Three months ended June 30	
	2024	2023
Revenue from external customers	\$ 2,102,186	\$ 1,936,679
Inter-segment revenue	378,718	348,333
Total segment revenue	<u>\$ 2,480,904</u>	<u>\$ 2,285,012</u>
Segment income	<u>\$ 415,161</u>	<u>\$ 373,616</u>
Depreciation	<u>\$ 107,180</u>	<u>\$ 96,449</u>
Amortisation	<u>\$ 16,493</u>	<u>\$ 16,501</u>

	Six months ended June 30	
	2024	2023
Revenue from external customers	\$ 4,052,441	\$ 3,776,272
Inter-segment revenue	765,982	739,540
Total segment revenue	<u>\$ 4,818,423</u>	<u>\$ 4,515,812</u>
Segment income	<u>\$ 819,083</u>	<u>\$ 781,449</u>
Depreciation	<u>\$ 209,130</u>	<u>\$ 189,703</u>
Amortisation	<u>\$ 32,929</u>	<u>\$ 32,997</u>

(3) Reconciliation information of segmental income

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

	Three months ended June 30	
	2024	2023
Adjusted EBITDA for reportable segment	\$ 415,161	\$ 373,616
Financial cost, net	(5,444)	(8,044)
Others	54,151	59,569
Income from continuing operations before income tax	<u>\$ 463,868</u>	<u>\$ 425,141</u>
	Six months ended June 30	
	2024	2023
Adjusted EBITDA for reportable segment	\$ 819,083	\$ 781,449
Financial cost, net	(10,148)	(15,215)
Others	90,314	89,007
Income from continuing operations before income tax	<u>\$ 899,249</u>	<u>\$ 855,241</u>

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Loans to others

For the six-month period ended June 30, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the six-month period ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
					June 30, 2024 (Note 3)	June 30, 2024 (Note 8)							Item	Value			
0	ECOVE Environment Corp.	ECOVE Solar Energy Corporation	Other receivables - related parties	Yes	\$ 1,650,000	\$ 1,450,000	\$ 1,414,000	1.575~1.705%	2	\$ -	For operational needs	\$ -	-	\$ -	\$ 2,416,672	\$ 2,416,672	Note 9
0	"	ECOVE Solar Power Corporation	"	"	650,000	650,000	650,000	1.575~1.705%	"	-	"	-	"	-	2,416,672	2,416,672	-
0	"	ECOVE South Corporation Ltd.	"	"	100,000	100,000	100,000	1.575%	"	-	"	-	"	-	2,416,672	2,416,672	Note 9
1	ECOVE Environment Services Corp.	CTCI Smart Engineering Corp.	"	"	249,000	-	-	-	"	-	"	-	"	-	408,582	408,582	-
1	"	CTCI Development Corp.	"	"	318,000	11,000	-	-	"	-	"	-	"	-	408,582	408,582	-

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 six months ended June 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 alments 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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the six-month period ended June 30, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2024 (Note 4)	Outstanding endorsement/ guarantees amount at June 30, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	ECOVE Environment Corp.	ECOVE South Corporation Ltd.	2	\$ 36,250,086	\$ 100,000	\$ 100,000	\$ -	-	1.66%	\$ 60,416,810	Y	N	N	Note 8
0	"	ECOVE Solar Energy Corporation	2	36,250,086	2,670,000	1,670,000	297,227	-	27.64%	60,416,810	Y	N	N	Note 8
0	"	ECOVE Solar Power Corporation	2	36,250,086	1,260,000	1,120,000	109,712	-	18.54%	60,416,810	Y	N	N	-
0	"	ECOVE Solvent Recycling Corporation	2	36,250,086	200,000	200,000	-	-	3.31%	60,416,810	Y	N	N	-
0	"	ECOVE Environment Services Gangshan Corporation	2	36,250,086	900,000	900,000	250,000	-	14.90%	60,416,810	Y	N	N	-
0	"	Ever Ecove Corporation	6	36,250,086	192,500	192,500	139,000	-	3.19%	60,416,810	N	N	N	-
1	ECOVE Solar Power Corporation	ECOVE Solar Energy Corporation	3	1,815,925	31,604	31,604	31,604	-	6.96%	2,723,887	N	N	N	Note 8
2	ECOVE Environment Service Corp.	Jing Ding Green Energy Technology Co., Ltd.	6	6,128,726	1,733,100	1,733,100	346,920	-	169.67%	10,214,544	N	N	N	-
2	"	Bao Ding Reclaimed Water Co., Ltd.	6	6,128,726	293,000	293,000	140,900	-	28.68%	10,214,544	N	N	N	-

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.

<div>ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES</div> <div>Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)</div> <div>For the six-month period ended June 30, 2024</div>									
Table 3		Expressed in thousands of NTD (Except as otherwise indicated)							
Securities held by	Marketable securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	June 30, 2024				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Fair value	
ECOVE Environment Corp.	Common Stock	Taiwan Cement Corp.	None	Financial assets at fair value through other comprehensive income-current	584,287	\$ 16,671	-	\$ 20,158	-
				Adjustment		<u>3,487</u> <u>\$ 20,158</u>			
"	"	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	-
"	"	HDEC-CTCI (Linhai) Corporation	"	Financial assets at fair value through other comprehensive income-non-current	1,000	12	0.0010%	12	-
"	Beneficiary Certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	714,582	10,030	-	10,030	-
ECOVE Wujih Energy Corp.	Common Stock	Taiwan Cement Corp.	None	Financial assets at fair value through other comprehensive income-current	587,686	20,275	-	20,275	-
"	Beneficiary Certificates	Taishin 1699 Money Market Fund	"	Financial assets at fair value through profit or loss-current	714,505	10,029	-	10,029	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corporation	Ultimate Parent Company	Financial assets at fair value through other comprehensive income - current	1,028	54	-	54	-
"	"	Taiwan Cement Corp.	None	"	1,547,328	53,383	-	53,383	-
"	"	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	20,418	-	20,418	-
"	"	ECOVE Environment Corp.	The Parent Company	"	1,605	503	-	503	-
"	Beneficiary Certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	714,556	10,030	-	10,030	-
ECOVE Mioali Energy Corp.	Beneficiary certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	714,556	10,030	-	10,030	-

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.

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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

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 six-month period ended June 30, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2024		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30, 2024	
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	\$ 280,495	\$ 280,000	\$ 495	-	\$ -
"	FSITC Taiwan Money Market Fund	"	-	-	-	-	38,632,922	610,000	38,632,922	611,067	610,000	1,067		
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.	Taishin 1699 Money Market Fund	"	-	-	21,776,409	300,688	714,505	10,000	21,776,409	304,593	300,688	3,905	714,505	10,000
"	FSITC Taiwan Money Market Fund	"	-	-	23,511,769	370,000	36,393,521	575,000	59,905,290	947,556	945,000	2,556	-	-
"	SinoPac TWD Money Market Fund	"	-	-	-	-	29,277,926	420,000	29,277,926	421,067	420,000	1,067	-	-
ECOVE Environment Services Gangshan Corporation	SinoPac TWD Money Market Fund	"	-	-	17,521,481	250,000	20,901,873	300,000	38,423,354	552,028	550,000	2,028	-	-
ECOVE Mioali Energy Corp.	FSITC Taiwan Money Market Fund	"	-	-	-	-	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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the six-month period ended June 30, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:			Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction				
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	18,778	CTCI Resources Engineering Inc.	Associate	-	-	-	-	Price 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 six-month period ended June 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).

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

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

For the six-month period ended June 30, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corporation	Associate	(Operating and maintaining revenue)	(\$ 342,809)	(13%)	30 days monthly	No significant difference		\$ 75,325	12%	-
"	ECOVE Wujih Energy Corp.	"	(Operating and maintaining revenue)	(142,837)	(5%)	"		"	50,835	8%	-
ECOVE Environment Services Gangshan Corporation	ECOVE Environment Services Corp.	"	Operating cost	342,809	70%	"		"	(75,325)	(29%)	-
ECOVE Wujih Energy Corp.	ECOVE Environment Services Corp.	"	Operating cost	142,837	62%	"		"	(50,835)	(60%)	-

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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
For the six-month period ended June 30, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
ECOVE Environment Corp.	ECOVE Solar Power Corporation	A subsidiary	\$ 650,890	Note 3	\$ -	Note 3	\$ -	\$ -
"	ECOVE Environment Services Corp.	"	482,501	"	-	"	-	-
"	ECOVE Wujih Energy Corp.	"	309,910	"	-	"	-	-
"	ECOVE Mioali Energy Corp.	"	186,624	"	-	"	-	-

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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the six-month period ended June 30, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	ECOVE Environment Corp.	ECOVE Solar Power Corporation	1	Other accounts receivable	\$ 650,890	-	4.81%
0	"	ECOVE Environment Service Corp.	"	"	482,501	-	3.56%
0	"	ECOVE Wujih Energy Corp.	"	"	309,910	-	2.29%
0	"	ECOVE Mioali Energy Corp.	"	"	186,624	-	1.38%
0	"	ECOVE Solar Power Corporation	"	Endorsements and guarantees	1,120,000	-	N/A
0	"	ECOVE Environment Services Gangshan Corporation	"	"	900,000	-	N/A
0	"	ECOVE Solvent Recycling Corporation	"	"	200,000	-	N/A
1	ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	3	Operating revenue	79,043	30 days monthly	1.95%
1	"	ECOVE Wujih Energy Corp.	"	"	142,837	"	3.52%
1	"	ECOVE Environment Services Gangshan Corporation	"	"	342,809	"	8.46%

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, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) 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 9

Expressed in thousands of NTD
(Except as otherwise indicated)

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES											
Information on investees (not including investees in Mainland China)											
For the six-month period ended June 30, 2024											
Expressed in thousands of NTD (Except as otherwise indicated)											
Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2024			Net profit (loss) of the investee for the six-month period ended June 30, 2024	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2024	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Taiwan	Waste services equipment installation, co-generation, waste services and other environmental services, etc.	\$ 450,435	\$ 450,435	30,000,000	100.00%	\$ 563,092	\$ 150,227	\$ 150,227	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%	1,031,394	301,090	299,670	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%	78,853	20,050	20,050	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%	611,658	47,599	35,690	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%	39,836	193	193	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%	123,886	13,727	13,727	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%	419,868	169,337	33,439	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%	125,887	116,100	6,432	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%	100,138	272	136	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%	74,936	47,053	12,658	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	47,599	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%	51,527	144,664	43,399	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%	56,750 (	1,952) (	1,855)	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%	176,981 (	12,369) (	3,711)	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%	249,266 (	3,740) (	3,740)	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%	50,069	272	68	Affiliate
ECOVE Waste Management Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Wastewater sludge treatment	10	10	1,000	0.002%	10 (	12,369)	-	An investee using equity method
ECOVE Environment Corp.	ECOVE Solar Power Corporation	Taiwan	Energy technology services, etc.	306,000	306,000	30,600,000	100.00%	453,981	11,201	11,201	A subsidiary
ECOVE Environment Corp.	G.D International,LLC.	U.S.A.	Energy technology services, etc.	189,197	189,197	-	100.00%	540,926	28,558	28,558	A subsidiary
G.D International,LLC.	Lumberton Solar W2-090,LLC	U.S.A.	Energy technology services, etc.	189,197	189,197	-	100.00%	541,082	28,703	28,703	A subsidiary

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Major shareholders information

For the six-month period ended June 30, 2024

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
CTCI Corp.	38,457,105	53.29%

(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.