

**ECOVE ENVIRONMENT CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ECOVE Environment Corp.

Opinion

We have audited the accompanying consolidated balance sheets of ECOVE Environment Corporation and its subsidiaries (the “Group”) as at December 31, 2025 and 2024 and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent auditors (please refer to the Other matter section), we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matter in our audit of the Group's 2025 consolidated financial statements is as follows:

Key audit matter - Accuracy of service revenue

Description

Refer to Note 4(32) for accounting policies on operating revenue and Note 6(23) for details of operating revenue.

Operating revenue mainly arises from service revenue and electricity sales revenue. The service revenue mainly arises from contracts entered into with certain governments (grantors) that involve charging for the service per unit in accordance with contracts and self-undertaken services. The cash amount of service revenue was NT\$3,009,532 thousand, constituting 31% of operating revenue for the year ended December 31, 2025. As the determination of this type of revenue is subject to the accuracy of statements and manual calculation, we considered the accuracy of service revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of the procedures of waste treatment and tested relevant internal controls, including randomly checking the actual amount of disposals that are treated at the waste treatment plant monthly, the consistency of monthly statements that management used in calculating revenue, and the consistency between service fees per unit and contract.

- B. Verified the accuracy of statements that management used in calculating revenue, including the amount of disposals treated and the service fees per unit, recalculated the accuracy of cash amount and ascertained whether it was in agreement with recorded revenue.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$321,972 thousand and NT\$305,421 thousand, both constituting 2% of the consolidated total assets as at December 31, 2025 and 2024, respectively, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$5,152 thousand and NT\$4,265 thousand, constituting 0.4% and 0.3% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion with Other matter section on the parent company only financial statements of ECOVE Environment Corporation as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement,

whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liao, Fu-Ming

Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 9, 2026

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
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,441,271	15	\$ 2,003,967	15
1110	Financial assets at fair value through profit or loss - current	6(2)	474,535	3	579,544	4
1120	Financial assets at fair value through other comprehensive income - current	6(3)	63,491	-	106,328	1
1136	Financial assets at amortised cost - current	6(4)	12,900	-	312,629	2
1140	Contract assets - current	6(23)	623,850	4	905,622	7
1170	Accounts receivable, net	6(5)	652,414	4	960,733	7
1180	Accounts receivable - related parties, net	7	177,939	1	201,285	2
1200	Other receivables		81,985	-	5,418	-
1210	Other receivables - related parties	7	1,082	-	34	-
1220	Current income tax assets		1,364	-	9,275	-
130X	Inventories		8,480	-	101,340	1
1410	Prepayments	6(6) and 7	493,464	3	240,719	2
11XX	Total current assets		<u>5,032,775</u>	<u>30</u>	<u>5,426,894</u>	<u>41</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	10,678	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	231,935	1	197,814	1
1535	Financial assets at amortised cost - non-current	6(4) and 8	49,534	-	31,261	-
1550	Investments accounted for using equity method	6(7)	965,667	6	872,103	7
1600	Property, plant and equipment, net	6(8)	4,143,717	25	4,347,930	33
1755	Right-of-use assets	6(9) and 7	242,101	2	241,752	2
1780	Intangible assets	6(10)	2,717,674	16	991,613	7
1840	Deferred income tax assets	6(30)	34,916	-	32,870	-
1900	Other non-current assets	6(11) and 8	3,378,661	20	1,207,537	9
15XX	Total non-current assets		<u>11,774,883</u>	<u>70</u>	<u>7,922,880</u>	<u>59</u>
1XXX	Total assets		<u>\$ 16,807,658</u>	<u>100</u>	<u>\$ 13,349,774</u>	<u>100</u>

(Continued)

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ -	-	\$ 125,000	1
2130	Contract liabilities - current	6(23) and 7	84,167	1	31,636	-
2150	Notes payable		-	-	11,054	-
2170	Accounts payable	6(13)	2,277,233	14	1,642,162	12
2180	Accounts payable - related parties	7	53,666	-	192,146	2
2200	Other payables	6(14)	413,782	2	449,291	4
2220	Other payables - related parties	7	161,177	1	9,784	-
2230	Income tax liabilities		152,628	1	167,018	1
2280	Current lease liabilities	7	45,425	-	37,882	-
2320	Long-term liabilities, current portion	6(15)	1,998,986	12	-	-
2399	Other current liabilities, others		795	-	905	-
21XX	Total current liabilities		<u>5,187,859</u>	<u>31</u>	<u>2,666,878</u>	<u>20</u>
Non-current liabilities						
2527	Non-current contract liabilities	6(23)	-	-	173,260	1
2530	Bonds payable	6(15)	-	-	1,996,451	15
2540	Long-term borrowings	6(16)	2,860,000	17	-	-
2570	Deferred income tax liabilities	6(30)	140,039	1	86,222	1
2580	Non-current lease liabilities	7	199,685	1	203,627	2
2600	Other non-current liabilities	6(17)	716,103	4	827,415	6
25XX	Total non-current liabilities		<u>3,915,827</u>	<u>23</u>	<u>3,286,975</u>	<u>25</u>
2XXX	Total liabilities		<u>9,103,686</u>	<u>54</u>	<u>5,953,853</u>	<u>45</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(20)	726,542	4	722,604	5
3140	Advance receipts for share capital		100	-	592	-
Capital surplus						
3200	Capital surplus	6(21)	2,999,683	18	2,889,953	22
Retained earnings						
3310	Legal reserve	6(22)	1,289,616	8	1,160,704	9
3350	Unappropriated retained earnings		1,971,896	12	1,855,849	14
Other equity interest						
3400	Other equity interest		88,388	-	115,208	-
3500	Treasury shares	6(20)	(57)	-	(57)	-
31XX	Equity attributable to owners of the parent		<u>7,076,168</u>	<u>42</u>	<u>6,744,853</u>	<u>50</u>
36XX	Non-controlling interest	4(3)	627,804	4	651,068	5
3XXX	Total equity		<u>7,703,972</u>	<u>46</u>	<u>7,395,921</u>	<u>55</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 16,807,658</u>	<u>100</u>	<u>\$ 13,349,774</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
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 9,656,402	100	\$ 8,530,650	100
5000	Operating costs	6(28)(29) and 7	(7,796,661)	(81)	(6,803,673)	(80)
5900	Gross profit		<u>1,859,741</u>	<u>19</u>	<u>1,726,977</u>	<u>20</u>
	Operating expenses	6(28)(29) and 7				
6200	General and administrative expenses		(122,494)	(1)	(172,571)	(2)
6000	Total operating expenses		(122,494)	(1)	(172,571)	(2)
6900	Operating profit		<u>1,737,247</u>	<u>18</u>	<u>1,554,406</u>	<u>18</u>
	Non-operating income and expenses					
7100	Interest income	6(24) and 7	15,367	-	21,955	-
7010	Other income	6(25) and 7	37,944	-	40,549	1
7020	Other gains and losses	6(26)	25,539	-	22,370	-
7050	Finance costs	6(27) and 7	(57,575)	-	(22,739)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	<u>91,151</u>	<u>1</u>	<u>124,765</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>112,426</u>	<u>1</u>	<u>186,900</u>	<u>2</u>
7900	Profit before income tax		<u>1,849,673</u>	<u>19</u>	<u>1,741,306</u>	<u>20</u>
7950	Income tax expense	6(30)	(343,786)	(4)	(300,354)	(3)
8200	Profit for the year		<u>\$ 1,505,887</u>	<u>15</u>	<u>\$ 1,440,952</u>	<u>17</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(18)	\$ 19,902	-	\$ 41,689	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	6,932	-	20,598	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		339	-	(63)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(4,567)	-	(8,285)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		(44,884)	-	61,308	1
8300	Total other comprehensive (loss) income for the year		<u>(\$ 22,278)</u>	<u>-</u>	<u>\$ 115,247</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 1,483,609</u>	<u>15</u>	<u>\$ 1,556,199</u>	<u>18</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 1,338,035	13	\$ 1,255,964	15
8620	Non-controlling interest		<u>167,852</u>	<u>2</u>	<u>184,988</u>	<u>2</u>
	Total		<u>\$ 1,505,887</u>	<u>15</u>	<u>\$ 1,440,952</u>	<u>17</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,324,983	13	\$ 1,357,388	16
8720	Non-controlling interest		<u>158,626</u>	<u>2</u>	<u>198,811</u>	<u>2</u>
	Total		<u>\$ 1,483,609</u>	<u>15</u>	<u>\$ 1,556,199</u>	<u>18</u>
	Earnings per share (in dollars):	6(31)				
9750	Basic earnings per share		<u>\$ 18.44</u>		<u>\$ 17.43</u>	
9850	Diluted earnings per share		<u>\$ 18.42</u>		<u>\$ 17.37</u>	

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

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
	Capital			Retained Earnings			Other Equity interest					
	Notes	Common stock	Advance receipts for share capital	Capital surplus	Legal 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	Total	Non-controlling interest	Total equity
Year ended December 31, 2024												
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 year		-	-	-	-	1,255,964	-	-	-	1,255,964	184,988	1,440,952
Other comprehensive income		-	-	-	-	33,159	47,667	20,598	-	101,424	13,823	115,247
Total comprehensive income		-	-	-	-	1,289,123	47,667	20,598	-	1,357,388	198,811	1,556,199
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)	-	-	673	-	-	-	-	-	673	3	676
Exercise of employee share options	6(20)(21)	6,425	592	106,526	-	-	-	-	-	113,543	-	113,543
Employee restricted stock	6(19)(21)	-	-	(4,815)	-	-	-	-	-	(4,815)	(20)	(4,835)
Adjustments of changes in investments accounted for using equity method	6(7)(21)	-	-	696	-	-	-	-	-	696	-	696
Advance receipts for share capital transferred to common stock		589	(589)	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	200,000	200,000
Balance at December 31, 2024		<u>\$ 722,604</u>	<u>\$ 592</u>	<u>\$ 2,889,953</u>	<u>\$ 1,160,704</u>	<u>\$ 1,855,849</u>	<u>\$ 45,726</u>	<u>\$ 69,482</u>	<u>(\$ 57)</u>	<u>\$ 6,744,853</u>	<u>\$ 651,068</u>	<u>\$ 7,395,921</u>
Year ended December 31, 2025												
Balance at January 1, 2025		\$ 722,604	\$ 592	\$ 2,889,953	\$ 1,160,704	\$ 1,855,849	\$ 45,726	\$ 69,482	(\$ 57)	\$ 6,744,853	\$ 651,068	\$ 7,395,921
Profit for the year		-	-	-	-	1,338,035	-	-	-	1,338,035	167,852	1,505,887
Other comprehensive income (loss)		-	-	-	-	15,674	(35,658)	6,932	-	(13,052)	(9,226)	(22,278)
Total comprehensive income (loss)		-	-	-	-	1,353,709	(35,658)	6,932	-	1,324,983	158,626	1,483,609
Appropriations of 2024 earnings	6(22)											
Legal reserve		-	-	-	128,912	(128,912)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(1,106,844)	-	-	-	(1,106,844)	(181,886)	(1,288,730)
Exercise of employee share options	6(20)(21)	3,346	100	50,935	-	-	-	-	-	54,381	-	54,381
Employee restricted stock	6(19)(21)	-	-	(507)	-	-	-	-	-	(507)	(4)	(511)
Adjustments of changes in investments accounted for using equity method	6(7)(21)	-	-	65,639	-	-	-	-	-	65,639	-	65,639
Advance receipts for share capital transferred to common stock		592	(592)	-	-	-	-	-	-	-	-	-
Subsidiaries under liquidation		-	-	(6,337)	-	-	-	-	-	(6,337)	-	(6,337)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	(1,906)	-	1,906	-	-	-	-
Balance at December 31, 2025		<u>\$ 726,542</u>	<u>\$ 100</u>	<u>\$ 2,999,683</u>	<u>\$ 1,289,616</u>	<u>\$ 1,971,896</u>	<u>\$ 10,068</u>	<u>\$ 78,320</u>	<u>(\$ 57)</u>	<u>\$ 7,076,168</u>	<u>\$ 627,804</u>	<u>\$ 7,703,972</u>

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

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,849,673	\$ 1,741,306
Adjustments			
Adjustments to reconcile profit (loss)			
Construction revenue from service concession arrangements	6(23)(32)	(1,781,713)	(153,393)
Impairment loss determined in accordance with IFRS 9	12(2)	566	13
Depreciation	6(8)(28)	367,153	366,303
Depreciation - right-of-use assets	6(9)(28)	44,570	46,775
Amortization	6(28)	66,524	65,823
Interest expense	6(27)	53,611	19,923
Interest expense - lease liability	6(9)(27)	3,964	2,816
Dividend income	6(25)	(9,828)	(10,568)
Interest income	6(24)	(15,367)	(21,955)
Salary expense - employee stock options	6(19)(29)	-	676
Salary expense - employee restricted stock	6(19)(29)	(511)	(4,835)
Gain on valuation of financial assets	6(2)(26)	(35,617)	(17,833)
Gain from lease modification	6(9)(26)	(227)	(3,502)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(91,151)	(124,765)
Gains on disposals of investments	6(26)	(1,102)	-
Loss (gain) on disposal of property, plant and equipment	6(26)	(4,629)	(292)
Gain on liquidation		(6,337)	-
Gain on reversal of accrued recovery costs		(58,483)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		112,737	478,621
Contract assets		281,772	(39,467)
Notes receivable, net		-	6
Accounts receivable, net		308,088	(18,335)
Accounts receivable due from related parties, net		23,011	(189,512)
Other receivables		(79,982)	622
Other receivables - related parties		(1,048)	123
Inventories		92,860	2,172
Prepaid expense		(261,869)	(148,782)
Other non-current assets		131,762	185,545
Changes in operating liabilities			
Contract liabilities		(120,729)	(438,395)
Notes payable		(11,054)	9,411
Accounts payable		635,071	242,963
Accounts payable - related parties		(138,480)	136,056
Other payables		(37,536)	(46,439)
Other payables - related parties		(81)	906
Other current liabilities		(110)	2,058
Other non-current liabilities		(90,420)	(825)
Cash inflow generated from operations		1,234,346	2,083,220
Interest received		18,782	21,692
Dividends received		89,772	99,896
Interest paid		(50,183)	(17,972)
Income tax paid		(309,586)	(458,235)
Income taxes refund		16,263	17,764
Net cash flows from operating activities		<u>999,394</u>	<u>1,746,365</u>

(Continued)

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income-current		\$ 15,642	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current	12(3)	6	3
Acquisition of financial assets at fair value through other comprehensive income-non-current	12(3)	-	(47,322)
Decrease (increase) in financial assets at amortised cost		281,456	(5,835)
Increase in investments accounted for using equity method	6(7)	(21,000)	(9,000)
Proceeds from disposal of investments accounted for using equity method		136	-
Acquisition of property, plant and equipment	6(32)	(159,973)	(193,988)
Proceeds from disposal of property, plant and equipment		1,281	2,981
Acquisition of intangible assets	6(32)	(3,041)	(1,185)
(Increase) decrease in refundable deposits		(304,021)	544
Increase in other non-current assets	6(32)	(2,000,077)	(153,059)
Net cash flows used in investing activities		(2,189,591)	(406,861)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans		-	125,000
Decrease in short-term loans		(125,000)	-
Increase in short-term notes payable		-	(19,983)
Increase in other payables to related parties		150,000	-
Repayment of lease liabilities		(45,049)	(36,931)
Proceeds from long-term loans		2,860,000	-
Increase in deposits received (shown in other non-current liabilities)		21,899	(93,634)
Cash dividends paid		(1,288,730)	(1,287,009)
Employee stock options exercised		54,381	113,543
Increase in non-controlling interests		-	200,000
Net cash flows from (used in) financing activities		1,627,501	(999,014)
Net increase in cash and cash equivalents		437,304	340,490
Cash and cash equivalents at beginning of year		2,003,967	1,663,477
Cash and cash equivalents at end of year		\$ 2,441,271	\$ 2,003,967

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

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(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 52.92% equity interest in the Company as of December 31, 2025.

2. THE DATE OF AUTHORIZATION 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 March 9, 2026.

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 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(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 and will become effective from 2026 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 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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 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 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(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) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of the investor	Name of the investee	Main Activities	Ownership percentage (%)		Note
			December 31, 2025	December 31, 2024	
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Environmental engineering	100.00	100.00	
ECOVE Environment Corp.	ECOVE Miaoli Energy Corp.	Environmental engineering	74.999	74.999	
ECOVE Environment Service Corp.	ECOVE Miaoli Energy Corp.	Environmental engineering	0.001	0.001	
ECOVE Environment Corp.	ECOVE Environment Service Corp.	Environmental engineering	100.00	100.00	
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Environmental engineering	-	100.00	Note 2
ECOVE Environment Corp.	Yuan Ding Resources Corp.	Environmental engineering	100.00	100.00	
ECOVE Environment Service Corp.	SINOGAL-Waste Services Co., Ltd.	Environmental engineering	30.00	30.00	Note 1
ECOVE Environment Service Corp.	ECOVE Environment Services Gangshan Corporation	Environmental engineering	100.00	100.00	
ECOVE Environment Service Corp.	ECOVE Resource Recycling Corporation	Environmental engineering	95.00	95.00	
ECOVE Environment Corp.	ECOVE Solvent Recycling Corporation	Environmental engineering	100.00	100.00	
ECOVE Environment Corp.	ECOVE Chiayi Energy Corp	Environmental engineering	50.00	50.00	
ECOVE Environment Service Corp.	ECOVE Chiayi Energy Corp	Environmental engineering	25.00	25.00	
ECOVE Environment Corp.	ECOVE Solar Power Corporation	Energy sector	100.00	100.00	Note 3
ECOVE Environment Corp.	G.D. International, LLC.	Energy sector	100.00	100.00	Note 3
G.D. International, LLC.	Lumberton Solar W2-090, LLC.	Energy sector	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. The contract between the second-tier subsidiary, SINO GAL-Waste Services Co., Ltd., and the Macau Refuse Incineration Plant of the Macau Environmental Protection Bureau ended on November 30, 2024. Additionally, SINO GAL-Waste Services Co., Ltd. signed a short-term service contract with the Macau Environmental Protection Bureau on December 1, 2024, July 8, 2025 and August 12, 2025, and the contract period was up to September 24, 2025. The handover of the plant was completed as scheduled upon contract expiration.

Note 2: The Board of Directors of the subsidiary, ECOVE Wujih Energy Corp., resolved to dissolve and liquidate the company during its meeting in June 2025. The liquidation was filed with the court and completed in November 2025.

Note 3: In June 2024, the Company conducted a simple merger with the subsidiary, ECOVE Solar Energy Corporation and the second-tier subsidiary, ECOVE South Corporation Ltd., in line with the Group restructuring. ECOVE Solar Energy Corporation and ECOVE South Corporation Ltd. were dissolved under the approval of the Ministry of Economic Affairs.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$627,804 and \$651,068, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
ECOVE Miaoli Energy Corp.	Taiwan	\$ 212,658	25.00%	\$ 216,909	25.00%
SINO GAL-Waste Services Co., Ltd.	Macau	96,938	70.00%	177,201	70.00%
ECOVE Chiayi Energy Corp	Taiwan	315,418	25.00%	253,973	25.00%

Summarised financial information of the subsidiaries:

Balance sheets

	ECOVE Miaoli Energy Corp.	
	December 31, 2025	December 31, 2024
Current assets	\$ 724,658	\$ 564,449
Non-current assets	201,661	393,790
Current liabilities	(49,374)	(52,848)
Non-current liabilities	(26,312)	(37,753)
Total net assets	<u>\$ 850,633</u>	<u>\$ 867,638</u>

	SINOGAL-Waste Services Co., Ltd.	
	December 31, 2025	December 31, 2024
Current assets	\$ 128,871	\$ 507,570
Non-current assets	21,550	10,088
Current liabilities	(11,938)	(151,060)
Non-current liabilities	-	(113,453)
Total net assets	<u>\$ 138,483</u>	<u>\$ 253,145</u>

	ECOVE Chiayi Energy Corp.	
	December 31, 2025	December 31, 2024
Current assets	\$ 461,307	\$ 992,791
Non-current assets	1,900,598	154,643
Current liabilities	(1,026,999)	(125,587)
Non-current liabilities	(73,234)	(5,954)
Total net assets	<u>\$ 1,261,672</u>	<u>\$ 1,015,893</u>

Statements of comprehensive income

	ECOVE Miaoli Energy Corp.	
	Years Ended December 31	
	2025	2024
Revenue	\$ 295,456	\$ 308,881
Profit before income tax	115,124	123,418
Income tax expense	(22,095)	(24,328)
Profit for the year	93,029	99,090
Other comprehensive income, net of tax	-	727
Total comprehensive income for the year	<u>\$ 93,029</u>	<u>\$ 99,817</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 23,257</u>	<u>\$ 24,954</u>
Dividends paid to non-controlling interest	<u>\$ 27,506</u>	<u>\$ 62,139</u>

		SINO GAL-Waste Services Co., Ltd.	
		Years Ended December 31	
		2025	2024
Revenue		\$ 625,509	\$ 884,508
Profit before income tax		113,956	223,738
Income tax expense		-	(388)
Profit for the year		113,956	223,350
Other comprehensive (loss) income, net of tax		(13,180)	19,487
Total comprehensive income for the year		\$ 100,776	\$ 242,837
Comprehensive income attributable to non-controlling interest		\$ 70,543	\$ 169,986
Dividends paid to non-controlling interest		\$ 150,806	\$ 179,554

		ECOVE Chiayi Energy Corp.	
		Years Ended December 31	
		2025	2024
Revenue		\$ 1,872,231	\$ 153,393
Profit before income tax		324,740	21,146
Income tax expense		(64,661)	(5,257)
Profit for the year		260,079	15,889
Other comprehensive income, net of tax		\$ -	\$ -
Total comprehensive income for the year		\$ 260,079	\$ 15,889
Comprehensive income attributable to non-controlling interest		\$ 65,020	\$ 3,973
Dividends paid to non-controlling interest		\$ 3,574	\$ 9

Statements of cash flows

		ECOVE Miaoli Energy Corp.	
		Years Ended December 31	
		2025	2024
Net cash provided by operating activities		\$ 114,426	\$ 7,651
Net cash used in investing activities		(54)	-
Net cash used in financing activities		(111,379)	(250,028)
Increase (decrease) in cash and cash equivalents		2,993	(242,377)
Cash and cash equivalents, beginning of year		104,788	347,165
Cash and cash equivalents, end of year		\$ 107,781	\$ 104,788

SINO GAL-Waste Services Co., Ltd.			
Years Ended December 31			
	2025		2024
Net cash provided by operating activities	\$ 168,824	\$	98,275
Net cash provided by investing activities	57,687		162,085
Net cash used in financing activities	(217,125)	(261,771)
Increase (decrease) in cash and cash equivalents	9,386	(1,411)
Cash and cash equivalents, beginning of year	36,170		37,581
Cash and cash equivalents, end of year	\$ 45,556	\$	36,170

ECOVE Chiayi Energy Corp			
Years Ended December 31			
	2025		2024
Net cash used in operating activities	(\$ 943,351)	(\$	137,099)
Net cash provided by (used in) investing	189,215	(190,093)
Net cash provided by financing activities	134,595		799,891
(Decrease) increase in cash and cash equivalents	(619,541)		472,699
Cash and cash equivalents, beginning of year	672,805		200,106
Cash and cash equivalents, end of year	\$ 53,264	\$	672,805

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(4) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

A. As the operating cycle for build-operate-transfer (BOT) contracts usually exceeds one year, the Group uses the operating cycle (typically 3~4 years) as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.

B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial assets at fair value with any gain or loss recognized in profit or loss.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts receivable

- A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

H. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(15) Joint operation

Investment of joint arrangements are classified as joint operations based on its contractual rights and obligations. For the interest in a joint operation, the Group recognises direct interest in (and other shares of) the joint operation's assets, liabilities, revenue and expense which are included in the financial statements.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	6 ~ 35 years
Machinery and equipment	2 ~ 20 years
Transportation equipment	3 ~ 5 years
Others	2 ~ 5 years

(17) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability; and
 - (b) Any lease payments made at or before the commencement date.The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(18) Intangible assets

- A. Licences

Separately acquired licences are stated at historical cost. Licences have a finite useful life and are amortized on a straight-line basis over their estimated useful lives.
- B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3~5 years.
- C. Goodwill arises in a business combination accounted for by applying the acquisition method.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of goodwill is evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(23) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(26) Provisions

Provisions, which are accrued recovery costs, are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations

ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Employees' compensation directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as a change in estimate.

(28) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(29) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, deferred tax is not accounted for if it arises from the initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities, stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Service concession arrangements

- (a) The Group contracted with the government (grantor) a service concession arrangement whereby the Group shall provide construction of the government's infrastructure assets for public services and operate those assets during the term of the arrangement, and when the term of the operating period expires, the underlying infrastructure assets will be transferred to the government without consideration. The Group allocates the fair value of the consideration received or receivable in respect of the service concession arrangement between construction services and operating services provided based on their relative fair values, and recognizes such allocated amounts as revenue in accordance with IFRS 15, 'Revenue from contracts with customers'.
- (b) Revenues and costs incurred on provision of construction services or upgrading services under a service concession arrangement are accounted for in accordance with IFRS 15, 'Revenue from contracts with customers'.
- (c) 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 or an intangible asset based on how the considerations from the grantor to the operator are made as specified in the arrangement. The Group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services, and recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.
- (d) The Group entered into a service concession arrangement with the government (grantor) for the construction of a Refuse Incineration Plant through a build-operate-transfer (BOT) mode. Revenue is recognized based on the contract. The Group evaluates the significant financing component of the contract and adjusts the price on the commencement of the contract and recognizes revenue and accounts receivable at the amount that it has a right to bill each month.

B. Service revenue

The Group provides waste treatment, electricity sales, and waste collection service that are charged per unit at a fixed rate. The Group recognizes revenue and accounts receivable at the amount that it has a right to bill each month.

C. Revenue from the electricity production of solar power

The Group sells electricity generated by solar power. Revenue from the sale of the electricity is recognized when the Group sells the electricity to the customer.

D. Clearance income

The Group operates related services such as waste removal and transportation. The income is priced according to the fixed rate per ton of the service contract. The Group recognizes the income and the payable amount when the customer bills are issued each month according to the amount that the Group has the right to bill.

E. Other revenue

The Group provides repairs and maintenance, and consulting services that are charged per unit at a fixed rate. The Group recognizes its revenue and accounts receivable based on the amount that it has a right to bill each month.

(33) Government grant

The government grant is recognized when the Group is reasonably convinced the company will comply with the conditions attached to the government grant and will recognize the grant at fair value. If the nature of the government grant is to compensate the expenses incurred by the Group, the government grant is recognized as current profit and loss on a systematic basis during the period in which the related expenses are incurred.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 10,495	\$ 10,924
Checking accounts and demand deposits	2,241,346	1,857,210
Time deposits	189,430	135,833
Total	<u>\$ 2,441,271</u>	<u>\$ 2,003,967</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. There were no cash and cash equivalents pledged as collateral.

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

Items	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 462,785	\$ 577,001
Derivatives	8,447	-
	471,232	577,001
Valuation adjustment	3,303	2,543
Total	\$ 474,535	\$ 579,544
Non-Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivatives	\$ 10,678	\$ -

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

	Years Ended December 31	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 16,492	\$ 17,833
Derivatives	19,125	-
Total	\$ 35,617	\$ 17,833

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

Derivative financial instruments	December 31, 2025	
	Contract amount (notional principal)	Contract period
Non-delivery foreign exchange contract-buy (2 items)	USD 6,000 thousand	2025.08.08-2027.08.26
Non-delivery foreign exchange contract-buy (3 items)	JPY 1,200,000 thousand	2025.09.05-2027.09.13

The Group has not entered into any derivative financial instruments as of December 31, 2024.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	December 31, 2025	December 31, 2024
Current items:		
Equity instruments		
Listed stocks	\$ 78,570	\$ 96,118
Valuation adjustment	(15,079)	10,210
Total	\$ 63,491	\$ 106,328
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 137,415	\$ 137,421
Valuation adjustment	94,520	60,393
Total	\$ 231,935	\$ 197,814

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:

	Years Ended December 31	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive loss	\$ 6,932	\$ 20,598
Cumulative losses reclassified to retained earnings due to derecognition	\$ 1,906	\$ -
Dividend income recognized in profit or loss held at end of year	\$ 9,828	\$ 10,568

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	December 31, 2025	December 31, 2024
Current items:		
Time deposits with original maturity over 3 months	\$ 12,900	\$ 312,629
Non-current items:		
Pledged time deposits	49,534	31,261
	\$ 62,434	\$ 343,890

A. Information about the financial assets at amortized cost pledged to others as collateral is provided in Note 8.

B. As at December 31, 2025 and 2024, 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 \$62,434 and \$343,890, 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 465,884	\$ 783,790
Long-term accounts receivable due in one year	186,820	177,002
Less: Allowance for uncollectible accounts	(290)	(59)
	<u>\$ 652,414</u>	<u>\$ 960,733</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
1 to 90 days	\$ 464,322	\$ 758,421
91 to 120 days	748	5,950
121 to 180 days	814	13,946
Over 181 days	-	5,473
	<u>\$ 465,884</u>	<u>\$ 783,790</u>

The above ageing analysis was based on invoice date.

B. As of December 31, 2025 and 2024, 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments for material purchases	\$ 47,284	\$ 138,618
Prepayment for sub-contract costs	354,515	46,118
Prepaid rents	361	518
Prepaid insurance premiums	9,575	10,310
Others	81,729	45,155
	<u>\$ 493,464</u>	<u>\$ 240,719</u>

(7) Investments accounted for using the equity method

	<u>2025</u>	<u>2024</u>
At January 1	\$ 872,103	\$ 824,288
Addition of investments accounted for using equity method	21,000	9,000
Disposal of investments accounted for using equity method	(84)	-
Share of profit or loss of investments accounted for using the equity method	91,151	124,765
Earnings distribution of investments accounted for using equity method	(79,944)	(89,328)
Changes in capital surplus	65,639	696
Changes in other equity items	(4,198)	2,682
At December 31	<u>\$ 965,667</u>	<u>\$ 872,103</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates:		
CTCI Chemicals Corp.	\$ 92,577	\$ 86,818
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	551,118	479,864
Ever Ecove Corporation	126,640	123,493
Jing Ding Green Energy Technology Co., Ltd.	195,332	181,928
	<u>\$ 965,667</u>	<u>\$ 872,103</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
		December 31, 2025	December 31, 2024		
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	16.24%	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)	
	December 31, 2025	December 31, 2024
Current assets	\$ 3,989,833	\$ 3,429,963
Non-current assets	1,066,990	1,073,544
Current liabilities	(2,091,668)	(2,233,504)
Non-current liabilities	(36,644)	(80,286)
Total net assets	<u>\$ 2,928,511</u>	<u>\$ 2,189,717</u>
Share in associate's net assets	\$ 475,625	\$ 404,359
Goodwill	75,493	75,505
Carrying amount of the associate	<u>\$ 551,118</u>	<u>\$ 479,864</u>
Fair value of the associate (Note)	<u>\$ 745,146</u>	<u>\$ -</u>

Note: This refers to the market price information calculated by the listed company based on the average stock trading price as of the balance sheet date.

Statement of comprehensive income

	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	
	Years Ended December 31	
	2025	2024
Revenue	\$ 4,784,041	\$ 5,451,338
Profit for the year from continuing operations	324,106	472,522
Other comprehensive (loss) income, net of tax	(27,933)	14,859
Total comprehensive income	<u>\$ 296,173</u>	<u>\$ 487,381</u>
Dividends received from associate	<u>\$ 47,716</u>	<u>\$ 55,247</u>

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

As of December 31, 2025 and 2024, the carrying amount of the Group's individually immaterial associates amounted to \$414,549 and \$392,239, respectively.

	Years Ended December 31	
	2025	2024
Profit for the year from continuing operations	\$ 33,229	\$ 29,248
Other comprehensive income (loss)	339	(63)
Total comprehensive income	<u>\$ 33,568</u>	<u>\$ 29,185</u>

- B. In September 2020, the Board of Directors of the Company's subsidiary, ECOVE Environment Service Corp., resolved to invest an aggregate amount of \$650,000 in Jing Ding Green Energy Technology Co., Ltd. In 2025, the subsidiary invested \$21,000 in Jing Ding Green Energy Technology Co., Ltd. As of December 31, 2025 and 2024, the subsidiary has invested \$216,000 and \$195,000, respectively, for a shareholding ratio of 30%.
- C. On March 6, 2025, the Company's associate, Boretech Resource Recovery Engineering Co., Ltd. (Cayman), issued new shares and the Company did not subscribe or acquire new shares proportionately, which resulted in a change in the Company's ownership percentage of the associate. Accordingly, 'Capital surplus' and 'investments accounted for using the equity method' were adjusted for the increase or decrease of its share in equity interest amounting to \$65,605, and the gain of \$1,050 which was previously recognized in other comprehensive income was reclassified to profit or loss proportionately.
- D. For the years ended December 31, 2025 and 2024, 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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2025</u>						
Cost	\$ 17,993	\$ 17,358	\$ 5,856,103	\$ 162,093	\$ 31,503	\$ 6,246,050
Accumulated depreciation	-	(3,594)	(178,436)	(114,012)	(22,078)	(1,898,120)
	<u>\$ 178,993</u>	<u>\$ 13,764</u>	<u>\$ 4,097,667</u>	<u>\$ 48,081</u>	<u>\$ 9,425</u>	<u>\$ 4,347,930</u>
Opening net book amount as at January 1, 2025	\$ 178,993	\$ 13,764	\$ 4,097,667	\$ 48,081	\$ 9,425	\$ 4,347,930
Additions	-	-	151,945	15,600	377	167,922
Transfers	-	-	22,415	-	-	22,415
Disposals	-	-	(1,482)	(659)	(3,769)	(5,910)
Depreciation charge	-	(748)	(348,404)	(15,225)	(2,776)	(367,153)
Net exchange differences	(4,730)	-	(16,455)	(51)	(251)	(21,487)
Closing net book amount as at December 31, 2025	<u>\$ 174,263</u>	<u>\$ 13,016</u>	<u>\$ 3,905,686</u>	<u>\$ 47,746</u>	<u>\$ 3,006</u>	<u>\$ 4,143,717</u>
<u>At December 31, 2025</u>						
Cost	\$ 174,263	\$ 17,358	\$ 6,052,217	\$ 164,528	\$ 13,748	\$ 6,422,114
Accumulated depreciation	-	(4,342)	(2,146,531)	(116,782)	(10,742)	(2,278,397)
	<u>\$ 174,263</u>	<u>\$ 13,016</u>	<u>\$ 3,905,686</u>	<u>\$ 47,746</u>	<u>\$ 3,006</u>	<u>\$ 4,143,717</u>

	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>
Opening net book amount as at January 1, 2024	\$ 171,667	\$ 14,511	\$ 4,231,659	\$ 43,443	\$ 11,030	\$ 4,472,310
Additions	-	-	177,738	19,444	2,651	199,833
Transfers	-	-	9,200	-	270	9,470
Disposals	-	-	(2,629)	-	(60)	(2,689)
Depreciation charge	-	(747)	(345,797)	(14,898)	(4,861)	(366,303)
Net exchange differences	7,326	-	27,496	92	395	35,309
Closing net book amount as at December 31, 2024	<u>\$ 178,993</u>	<u>\$ 13,764</u>	<u>\$ 4,097,667</u>	<u>\$ 48,081</u>	<u>\$ 9,425</u>	<u>\$ 4,347,930</u>
<u>At December 31, 2024</u>						
Cost	\$ 178,993	\$ 17,358	\$ 5,856,103	\$ 162,093	\$ 31,503	\$ 6,246,050
Accumulated depreciation	-	(3,594)	(1,758,436)	(114,012)	(22,078)	(1,898,120)
	<u>\$ 178,993</u>	<u>\$ 13,764</u>	<u>\$ 4,097,667</u>	<u>\$ 48,081</u>	<u>\$ 9,425</u>	<u>\$ 4,347,930</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 capitalized interest were \$659 and \$699, and the interest rates for capitalization ranged from 1.325%~2.000% and 1.325%~1.570% for the years ended December 31, 2025 and 2024, 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 19 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 years ended December 31, 2025 and 2024, payments of lease commitments for short-term leases amounted to \$15,700 and \$17,710, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Carrying amount	Carrying amount
Land	\$ 54,856	\$ 57,321
Buildings	175,587	176,082
Transportation equipment	8,318	5,770
Other equipment	3,340	2,579
	<u>\$ 242,101</u>	<u>\$ 241,752</u>

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
	Depreciation charge	Depreciation charge
Land	\$ 10,856	\$ 13,114
Buildings	26,692	27,566
Transportation equipment	5,497	4,863
Other equipment	1,525	1,232
	<u>\$ 44,570</u>	<u>\$ 46,775</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$45,933 and \$136,199, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,964	\$ 2,816
Expense on short-term lease contracts	15,700	17,710
Expense on leases of low-value assets	3,764	2,790
Expense on variable lease payments	73,832	74,127
Gain from lease modification	227	3,502

- F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases amounted to \$138,345 and \$131,558, 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

	2025			
	<u>Franchise</u>	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
At January 1, 2025				
Cost	\$ 1,041,583	\$ 136,153	\$ 1,745	\$ 1,179,481
Accumulated amortisation and impairment	(187,508)	-	(360)	(187,868)
	<u>\$ 854,075</u>	<u>\$ 136,153</u>	<u>\$ 1,385</u>	<u>\$ 991,613</u>
Opening net book amount as at January 1, 2025	\$ 854,075	\$ 136,153	\$ 1,385	\$ 991,613
Additions	1,783,102	-	3,041	1,786,143
Amortisation charge	(59,212)	-	(870)	(60,082)
Closing net book amount as at December 31, 2025	<u>\$ 2,577,965</u>	<u>\$ 136,153</u>	<u>\$ 3,556</u>	<u>\$ 2,717,674</u>
At December 31, 2025				
Cost	\$ 2,824,685	\$ 136,153	\$ 4,786	\$ 2,965,624
Accumulated amortisation and impairment	(246,720)	-	(1,230)	(247,950)
	<u>\$ 2,577,965</u>	<u>\$ 136,153</u>	<u>\$ 3,556</u>	<u>\$ 2,717,674</u>

	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	153,393	-	1,185	154,578
Amortisation charge	(59,213)	-	(323)	(59,536)
Closing net book amount as at December 31, 2024	<u>\$ 854,075</u>	<u>\$ 136,153</u>	<u>\$ 1,385</u>	<u>\$ 991,613</u>
At December 31, 2024				
Cost	\$ 1,041,583	\$ 136,153	\$ 1,745	\$ 1,179,481
Accumulated amortisation and impairment	(187,508)	-	(360)	(187,868)
	<u>\$ 854,075</u>	<u>\$ 136,153</u>	<u>\$ 1,385</u>	<u>\$ 991,613</u>

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

	Years Ended December 31	
	2025	2024
Operating costs	\$ 60,082	\$ 59,536

- B. Goodwill which belongs to the operating segments of Taiwan arose from a business combination accounted for by applying the acquisition method and is independent cash-generating units.
- C. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount. The key assumptions used for value-in-use calculations are as follows:

	Year ended December 31	
	2025	2024
Gross margin	13.68%~14.06%	22.04%~22.92%
Gross rate	1.31%~36.23%	2.36%~8.44%
Discount rate	10.4%	9.3%

D. 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 June 30, 2026. The total cost of rehabilitation was \$948,939. In accordance with IFRIC 12, 'Service Concession Arrangements', the right to sell electricity and self-collected waste in exchange for provision of construction or performance upgrade services and the rehabilitation cost to be invested in the future were recognized as intangible assets, respectively. Franchise of the Company are amortised on a straight-line basis over their estimated useful life of 15 years. As of December 31, 2025 and 2024, intangible assets franchise had been recognized in the amounts of \$940,599 and \$888,190, respectively.

E. The subsidiary, ECOVE Chiayi Energy Corp., obtained the construction and operation of the Green Energy Sustainable Circulation Center BOT Project in Chiayi City through the build-operate-transfer (BOT) mode in October 2023. In February 2024, "The Contract for the Green Energy Sustainable Circulation Center BOT Project in Chiayi City" between ECOVE Chiayi Energy Corp. and Chiayi City Government had been signed. The Group recognized the consideration as intangible assets - franchise during the construction period in accordance with IFRIC 12 "Service Concession Arrangements". As of December 31, 2025 and 2024, intangible assets franchise had been recognized in the amounts of \$1,884,086 and \$153,393, respectively.

F. The amounts of capitalized interest were \$1,389 and \$0, and the interest rates for capitalization ranged from 2.00% and 0% for the years ended December 31, 2025 and 2024, respectively.

G. There were no intangible assets pledged as collateral.

(11) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Long-term accounts receivable	\$ 384,001	\$ 561,003
Less: Current portion	(186,820)	(177,002)
	197,181	384,001
Refundable deposits	334,314	30,293
Prepayments for business facilities	330,144	254,002
Contract fulfillment cost	78,985	22,956
Prepayments for land purchases	2,376,900	475,380
Net defined benefit asset	15,228	-
Others	45,909	40,905
	<u>\$ 3,378,661</u>	<u>\$ 1,207,537</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. The Board of Directors of the second-tier subsidiary, ECOVE Wujih Energy Corp., resolved to dissolve and liquidate the company during its meeting on June 30, 2025, and completed the liquidation on November 4, 2025. The company will be dissolved upon court approval of the liquidation completion.
- (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, but not to exceed 50 years. 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 Group entered into with the owner to operate the plant on its behalf. In accordance with IFRS 15, the cost is recognized as an asset and is amortized on a straight-line basis 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. The remaining balance of \$1,901,520 was paid in full on April 14, 2025. The transfer of ownership was completed in January 2026.

(12) Short-term borrowings

As of December 31, 2025, the Group had no short-term borrowings.

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Secured borrowings	\$ 125,000	0.5%~2.15%	Note 1, 2

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

Note 2: The Group has pledged promissory notes as of December 31, 2024 amounting to \$400,000.

(13) Accounts payable

	December 31, 2025	December 31, 2024
Materials payable	\$ 872,576	\$ 46,313
Sub-contract costs payable	142,527	181,181
Incinerator equipment costs payable	221,699	268,097
Maintenance costs payable	854,196	982,739
Others	186,235	163,832
	<u>\$ 2,277,233</u>	<u>\$ 1,642,162</u>

(14) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accrued payroll	\$ 267,260	\$ 325,427
Insurance payable	16,308	15,567
Payables on employees' compensation	33,518	22,628
Other payables	96,696	85,669
	<u>\$ 413,782</u>	<u>\$ 449,291</u>

(15) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable	\$ 2,000,000	\$ 2,000,000
Less: Discount on bonds payable	(1,014)	(3,549)
	1,998,986	1,996,451
Less: Bonds payable-current portion	(1,998,986)	-
	<u>\$ -</u>	<u>\$ 1,996,451</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 years ended December 31, 2025 and 2024 were \$14,630 and \$14,635, respectively.

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Unsecured borrowings	From December 29, 2025 to November 30, 2027	1.9800%	-	\$ 700,000
Unsecured borrowings	From April 14, 2025 to April 12, 2030, with periodic repayment of principal and interest.	2.5280%	Note	2,160,000
Less: Current portion				<u>-</u>
				<u>\$ 2,860,000</u>

Note: The subsidiary, ECOVE Environment Service Corp. has used the land located at Lun Hai Section No. 60-21, Lukang Township, Changhua County, as collateral. The transfer of ownership was completed in January 2026. The asset mortgage will be setup within one month after the transfer to serve as collateral for the bank loan.

- A. As of December 31, 2024, the Group had no long-term borrowings.
- B. The Company is committed to maintaining the following financial ratios and conditions throughout the duration of the unsecured borrowing in the parent company only financial statements:
- (a) Current ratio (current assets/current liabilities) shall be above 100%.
 - (b) Financial debt ratio (total financial liabilities/shareholders' equity) shall not exceed (or equal to) 160%.
 - (c) Net tangible assets (shareholders' equity less intangible assets) shall be above NT\$5 billion.
- C. The subsidiary, ECOVE Environment Service Corp., is committed to maintaining the following financial ratios and conditions throughout the duration of the contract in the financial statements:
- (a) The company must maintain a direct and indirect ownership stake of no less than 51% in ECOVE Environment Service Corp. and is required to appoint the Chairman of the Board for ECOVE Environment Service Corp.
 - (b) The interest coverage ratio, calculated as (EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization) divided by (interest expenses plus long-term borrowings due within one year), must not fall below 1.2 times. This ratio is subject to semi-annual review by the bank.
- D. The Group did not violate any of the above covenants.

(17) Other non-current liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Net defined benefit liability	\$ -	\$ 4,257
Accrued recovery costs	286,279	335,158
Guaranteed deposits received	354,306	332,407
Deferred revenue	75,518	93,194
Others	-	62,399
	<u>\$ 716,103</u>	<u>\$ 827,415</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 Corporation, ECOVE Environment Service Corp. and SINO GAL -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 Environment Corp., ECOVE Solar Power Corporation 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 amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 242,788	\$ 245,346
Fair value of plan assets	(258,016)	(241,089)
Net defined benefit (assets) liability	<u>(\$ 15,228)</u>	<u>\$ 4,257</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2025</u>			
At January 1	\$ 245,346	(\$ 241,089)	\$ 4,257
Current service cost	3,133	-	3,133
Interest expense (income)	3,914	(3,856)	58
	<u>252,393</u>	<u>(244,945)</u>	<u>7,448</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(16,711)	(16,711)
Change in financial assumptions	5,184	-	5,184
Experience adjustments	(8,375)	-	(8,375)
	<u>(3,191)</u>	<u>(16,711)</u>	<u>(19,902)</u>
Pension fund contribution	-	(2,774)	(2,774)
Paid pension	(6,414)	6,414	-
At December 31	<u>\$ 242,788</u>	<u>(\$ 258,016)</u>	<u>(\$ 15,228)</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2024</u>			
At January 1	\$ 269,400	(\$ 221,935)	\$ 47,465
Current service cost	4,092	-	4,092
Interest expense (income)	3,226	(2,662)	564
	<u>276,718</u>	<u>(224,597)</u>	<u>52,121</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(19,884)	(19,884)
Change in financial assumptions	(7,854)	-	(7,854)
Experience adjustments	(13,210)	741	(13,951)
	<u>(21,064)</u>	<u>(20,625)</u>	<u>(41,689)</u>
Pension fund contribution	-	(3,669)	(3,669)
Paid pension	(10,308)	7,802	(2,506)
At December 31	<u>\$ 245,346</u>	<u>(\$ 241,089)</u>	<u>\$ 4,257</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.30%	1.50%~1.70%
Future salary increases	2.50%~3.00%	2.50%~3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis is as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2025				
Effect on present value of defined benefit obligation	(\$ <u>4,368</u>)	<u>\$ 4,491</u>	<u>\$ 3,807</u>	(\$ <u>3,727</u>)

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ <u>4,726</u>)	<u>\$ 4,866</u>	<u>\$ 4,182</u>	(\$ <u>4,089</u>)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$1,940.

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 years ended December 31, 2025 and 2024 were \$43,096 and \$41,033, 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 (benefits) costs under the defined contribution pension plan for the years ended December 31, 2025 and 2024 were (\$19,349) and \$13,253, respectively.

(19) Share-based payment

- A. For the years ended December 31, 2025 and 2024, 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:

	Years Ended December 31			
	2025		2024	
Stock options	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 year	-	-	77	NT\$128.00
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
Options revoked	-	-	(19)	-
Options outstanding at end of year	-	-	-	NT\$128.00
Options exercisable at end of year	-	-	-	NT\$128.00

(b) Seventh plan of employee stock options:

Stock options	Years Ended December 31			
	2025		2024	
	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 year	149	NT\$158.20	437	NT\$165.90
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options waived	(1)	-	-	-
Options exercised	(125)	NT\$157.60	(288)	NT\$164.40
Options revoked	(23)	-	-	-
Options outstanding at end of year	<u>-</u>	-	<u>149</u>	NT\$158.20
Options exercisable at end of year	<u>-</u>	-	<u>149</u>	NT\$158.20

(c) Eighth plan of employee stock options:

	Years Ended December 31			
	2025		2024	
	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 year	373	NT\$159.70	739	NT\$167.50
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options waived	(1)	-	(10)	-
Options exercised	(219)	NT\$159.70	(356)	NT\$165.17
Options revoked	-	-	-	-
Options outstanding at end of year	<u>153</u>	NT\$151.50	<u>373</u>	NT\$159.70
Options exercisable at end of year	<u>153</u>	NT\$151.50	<u>373</u>	NT\$159.70

C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2025 and 2024 was NT\$292.08 and NT\$296.94 (in dollars), respectively.

D. As of December 31, 2025 and 2024, the range of exercise prices of stock options outstanding was \$151.5 and \$158.20~\$159.70 (in dollars), respectively; the weighted-average remaining contractual period was as follows:

Type of arrangement	December 31, 2025	December 31, 2024
Seventh plan of employee stock options	-	0.5 years
Eighth plan of employee stock options	0.25 years	1.25 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:

	Years Ended December 31	
	2025	2024
Equity-settled	\$ -	\$ 676

G. On January 1, 2022, the Company's parent company, CTCI Corp., issued restricted stocks to employees, granting 5,500 units (1,000 shares per unit) to the parent company and full-time employees of the company and its domestic subsidiaries. As the restricted stocks to employees did not meet the vesting conditions for the years ended December 31, 2025 and 2024, the accumulated recognised labor costs and capital surplus were reversed.

H. On January 1, 2023, the Company's parent company, CTCI Corp., issued restricted stocks to employees, granting 4,150 units (1,000 shares per unit) to the parent company and full-time employees of the company and its domestic subsidiaries. As the restricted stocks to employees did not meet the vesting conditions for the year ended December 31, 2025, the accumulated recognized labor costs and capital surplus were reversed. For the years ended December 31, 2025 and 2024, relative to the aforementioned plan for employee restricted stocks, the Group recognized the labor costs and corresponding capital surplus - employee restricted stocks as follows:

	Years Ended December 31	
	2025	2024
Equity-settled	(\$ 511)	(\$ 4,835)

(20) Share capital

A. As of December 31, 2025, 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 \$ 726,542 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):

	2025	2024
At January 1	72,319,600	71,617,851
Employee stock options exercised	344,539	701,749
At December 31	<u>72,664,139</u>	<u>72,319,600</u>

B. As of December 31, 2025 and 2024, the associate of the Group held 276 thousand shares.

C. Treasury shares

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 December 31, 2025 and 2024, the carrying amount of the shares of the Company held by ECOVE Waste Management Corp. are as follows:

	December 31, 2025	
	Number of shares	Carrying amount
ECOVE Waste Management Corp.	1,605	\$ <u>57</u>
	December 31, 2024	
	Number of shares	Carrying amount
ECOVE Waste Management Corp.	1,605	\$ <u>57</u>

(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, 2025	\$ 2,770,987	\$ 85,365	\$ 4,715	\$ 761	\$ 28,125	\$ 2,889,953
Employee stock options exercised	50,935	-	-	-	-	50,935
Employee restricted stocks	-	-	(507)	-	-	(507)
Subsidiaries under liquidation	-	(6,317)	(20)	-	-	(6,337)
Adjustments of changes in investments accounted for using equity method	-	-	(30)	-	65,669	65,639
At December 31, 2025	<u>\$ 2,821,922</u>	<u>\$ 79,048</u>	<u>\$ 4,158</u>	<u>\$ 761</u>	<u>\$ 93,794</u>	<u>\$ 2,999,683</u>
					Changes in equity of associates and joint ventures accounted for using equity method	
	Share premium	Employee stock options	Employee restricted stocks	Expired employee share options		Total
At January 1, 2024	\$ 2,664,461	\$ 85,252	\$ 9,751	\$ 201	\$ 27,208	\$ 2,786,873
Employee stock options exercised	106,526	-	-	-	-	106,526
Expired employee share options	-	(560)	-	560	-	-
Employee restricted stocks	-	-	(4,815)	-	-	(4,815)
Share-based payment transaction	-	673	-	-	-	673
Adjustments of changes in investments accounted for using equity method	-	-	(221)	-	917	696
At December 31, 2024	<u>\$ 2,770,987</u>	<u>\$ 85,365</u>	<u>\$ 4,715</u>	<u>\$ 761</u>	<u>\$ 28,125</u>	<u>\$ 2,889,953</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-1090150022, dated March 6, 2021, 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 2024 and 2023 earnings had been resolved at the stockholders' meeting on May 28, 2025 and May 27, 2024, respectively. Details are summarised below:

	2024	2023
Set aside as legal reserve	\$ 128,912	\$ 115,563
Cash dividends	1,106,844	1,045,307
Total	<u>\$ 1,235,756</u>	<u>\$ 1,160,870</u>

- F. The Company recognized dividends of \$1,106,844 (NT\$15.24398079 per share) and \$1,045,307 (NT\$14.48619711 per share) in 2024 and 2023, respectively.
- G. The appropriations of 2025 earnings had been proposed by the Board of Directors during its meeting on March 9, 2026.

Details are summarised below:

	2025	
	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 135,180	
Cash dividends	1,149,033	\$ 15.81
Total	<u>\$ 1,284,213</u>	

- H. For information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, refer to Note 6 (29).

(23) Operating revenue

	Year ended December 31	
	2025	2024
Operating revenue	\$ 2,745,191	\$ 2,864,394
Electricity	3,123,560	2,946,480
Waste collection	258,863	255,977
Others	1,451,619	1,889,060
	<u>7,579,233</u>	<u>7,955,911</u>
Service concession arrangements		
Operating revenue	264,341	375,529
Finance revenue	31,115	45,817
Construction contract revenue	1,781,713	153,393
	<u>2,077,169</u>	<u>574,739</u>
	<u>\$ 9,656,402</u>	<u>\$ 8,530,650</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:

Year ended	Year ended			
	December 31, 2025	Domestic	Macau	United States
Total segment revenue	\$ 10,010,449	\$ 739,521	\$ 97,403	\$ 10,847,373
Inter-segment revenue	(1,139,662)	(51,309)	-	(1,190,971)
Revenue from external customer contracts	<u>\$ 8,870,787</u>	<u>\$ 688,212</u>	<u>\$ 97,403</u>	<u>\$ 9,656,402</u>
Timing of revenue recognition over a period of time	<u>\$ 8,870,787</u>	<u>\$ 688,212</u>	<u>\$ 97,403</u>	<u>\$ 9,656,402</u>
Year ended	Year ended			
	December 31, 2024	Domestic	Macau	United States
Total segment revenue	\$ 8,851,257	\$ 1,072,779	\$ 101,095	\$ 10,025,131
Inter-segment revenue	(1,395,249)	(99,232)	-	(1,494,481)
Revenue from external customer contracts	<u>\$ 7,456,008</u>	<u>\$ 973,547</u>	<u>\$ 101,095</u>	<u>\$ 8,530,650</u>
Timing of revenue recognition over a period of time	<u>\$ 7,456,008</u>	<u>\$ 973,547</u>	<u>\$ 101,095</u>	<u>\$ 8,530,650</u>

B. Contract assets and liabilities

(a) Contract assets:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Estimated accounts receivable	\$ 623,850	\$ 905,622	\$ 866,155

(b) Contract liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Receipts in advance	\$ 84,167	\$ 31,636	\$ 147,541
Construction contract	-	173,260	495,750
	<u>\$ 84,167</u>	<u>\$ 204,896</u>	<u>\$ 643,291</u>

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

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Receipts in advance	\$ 28,025	\$ 142,605
Construction contract	173,260	322,490
	<u>\$ 201,285</u>	<u>\$ 465,095</u>

(24) Interest income

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 15,173	\$ 21,069
Other interest income	194	886
	<u>\$ 15,367</u>	<u>\$ 21,955</u>

(25) Other income

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Income from government grants	\$ 13,846	\$ 14,257
Income from sale of scraps	5,837	11,179
Dividend income	9,828	10,568
Others	8,433	4,545
	<u>\$ 37,944</u>	<u>\$ 40,549</u>

(26) Other gains and losses

	Years Ended December 31	
	2025	2024
(Losses) gains on disposals of property, plant and equipment	(\$ 4,629)	\$ 292
Gains on disposals of investments	1,102	-
Gains on liquidation	6,337	-
Gains from lease modification	227	3,502
Foreign exchange (loss) gain	(13,109)	775
Gains on financial assets and financial liabilities at fair value through profit or loss	35,617	17,833
Miscellaneous disbursements	(6)	(32)
	<u>\$ 25,539</u>	<u>\$ 22,370</u>

(27) Finance cost

	Years Ended December 31	
	2025	2024
Interest expense	\$ 41,029	\$ 5,987
Interest expense arising from corporate bonds	14,630	14,635
Interest expense arising from lease liabilities	3,964	2,816
Less: Capitalized interest payments	(2,048)	(699)
	<u>\$ 57,575</u>	<u>\$ 22,739</u>

(28) Expenses by nature

	Years Ended December 31	
	2025	2024
Employee benefit expense	\$ 1,417,583	\$ 1,356,583
Depreciation charges on property, plant and equipment	367,153	366,303
Depreciation charges on right-of-use assets	44,570	46,775
Amortisation	66,524	65,823
Incinerator equipment costs	1,012,568	922,335
Materials	1,977,556	1,276,195
Sub-contract costs	2,236,096	2,099,834
Insurance	184,880	162,715
Other expenses	612,225	679,681
Operating costs and expenses	<u>\$ 7,919,155</u>	<u>\$ 6,976,244</u>

(29) Employee benefit expense

	Years Ended December 31	
	2025	2024
Salaries	\$ 1,221,196	\$ 1,145,972
Employee stock options	-	676
Employee restricted stocks	(511)	(4,835)
Labor and health insurance fees	91,535	84,941
Pension costs	26,938	58,942
Other personnel expenses	78,425	70,887
	<u>\$ 1,417,583</u>	<u>\$ 1,356,583</u>

- A. As of December 31, 2025 and 2024, the Group had 1,058 and 1,107 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 years ended December 31, 2025 and 2024, employees' compensation was accrued at \$6,860 and \$1,178, respectively; directors' and supervisors' remuneration was accrued at \$5,200 and \$5,200, 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, 2025, respectively. The employees' compensation and directors' and supervisors' remuneration have been resolved by the Board of Directors, which were accrued at \$6,860 and \$5,200, respectively. The employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2024 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:

	Years Ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 295,037	\$ 324,241
Prior year income tax under (over) estimation	1,295	(933)
Total current tax	296,332	323,308
Deferred tax:		
Origination and reversal of temporary differences	47,204	(22,877)
Effect of exchange rate changes	250	(77)
Income tax expense	<u>\$ 343,786</u>	<u>\$ 300,354</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year Ended December 31	
	2025	2024
Remeasurement of defined benefit obligations	<u>(\$ 4,567)</u>	<u>(\$ 8,285)</u>

B. Reconciliation between income tax expense and accounting profit:

	Year Ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate (note)	\$ 352,507	\$ 353,534
Tax exempt income by tax regulation	(3,445)	(49,873)
Expenses disallowed by tax regulation	380	-
Effect from investment tax credits	(6,951)	(2,374)
Prior year income tax under (over) estimation	1,295	(933)
Income tax expense	<u>\$ 343,786</u>	<u>\$ 300,354</u>

Note: The basis for computing the applicable tax rate is the rate applicable in Taiwan, Macao and USA.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Unused compensated absences	\$ 4,046	(\$ 187)	\$ -	\$ 3,859
Unrealised pension costs	-	442	1,157	1,599
Unrealised maintenance costs	27,887	786	-	28,673
Unrealised cost of services	53	(42)	-	11
Unrealised gains on disposal of fixed assets	884	(110)	-	774
	<u>32,870</u>	<u>889</u>	<u>1,157</u>	<u>34,916</u>
Deferred tax liabilities:				
- Temporary differences:				
Unrealised foreign investment gain	(42,741)	4,051	-	(38,690)
Unrealised pension costs	(237)	237	(5,724)	(5,724)
Unrealised exchange loss	(1,566)	(1,933)	-	(3,499)
Unrealised concession arrangements gain	(41,678)	(50,448)	-	(92,126)
	<u>(86,222)</u>	<u>(48,093)</u>	<u>(5,724)</u>	<u>(140,039)</u>
	<u>(\$ 53,352)</u>	<u>(\$ 47,204)</u>	<u>(\$ 4,567)</u>	<u>(\$ 105,123)</u>

2024				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Unused compensated absences	\$ 4,077	(\$ 31)	\$ -	\$ 4,046
Unrealised pension costs	8,408	(360)	(8,048)	-
Unrealised maintenance costs	25,935	1,952	-	27,887
Unrealised cost of services	20	33	-	53
Unrealised gains on disposal of fixed assets	966	(82)	-	884
	<u>39,406</u>	<u>1,512</u>	<u>(8,048)</u>	<u>32,870</u>
Deferred tax liabilities:				
- Temporary differences:				
Unrealised foreign investment gain	(36,677)	(6,064)	-	(42,741)
Unrealised pension costs	-	-	(237)	(237)
Unrealised exchange loss	(1,350)	(216)	-	(1,566)
Unrealised concession arrangements gain	(69,323)	27,645	-	(41,678)
	<u>(107,350)</u>	<u>21,365</u>	<u>(237)</u>	<u>(86,222)</u>
	<u>(\$ 67,944)</u>	<u>\$ 22,877</u>	<u>(\$ 8,285)</u>	<u>(\$ 53,352)</u>

D. Details of the amount the Company is entitled as investment tax credit and unrecognized deferred tax assets are as follows:

December 31, 2025			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Investments in emerging important strategic industries	\$ 366,201	\$ 47,606	2028
December 31, 2024			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Investments in emerging important strategic industries	\$ 34,680	\$ 4,508	2027
Investments in emerging important strategic industries	384,990	50,049	2028
	<u>\$ 419,670</u>	<u>\$ 54,557</u>	

E. As of December 31, 2025, the income tax returns of the Company through 2023 have been assessed and approved by the Tax Authority.

(31) Earnings per share

	Year ended December 31, 2025		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,338,035	72,563	\$ <u>18.44</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	73	
Employees' compensation	-	23	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,338,035</u>	<u>72,659</u>	\$ <u>18.42</u>
	Year ended December 31, 2024		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,255,964	72,074	\$ <u>17.43</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	242	
Employees' compensation	-	4	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,255,964</u>	<u>72,320</u>	\$ <u>17.37</u>

(32) Supplemental cash flow information

Investing activities with partial cash payments

	2025	2024
Purchase of property, plant and equipment	\$ 167,922	\$ 199,833
Less: Accrued recovery cost	(7,949)	(5,845)
Cash paid during the year	<u>\$ 159,973</u>	<u>\$ 193,988</u>

Years Ended December 31

	2025	2024
Changes in other non-current assets	\$ 2,000,077	\$ 146,112
Add: Beginning balance of payable on equipment	-	6,947
Less: Ending balance of payable on equipment	-	-
Cash paid during the year	<u>\$ 2,000,077</u>	<u>\$ 153,059</u>

Years Ended December 31

	2025	2024
Acquisition of intangible assets	\$ 1,786,143	\$ 154,578
Less: Construction revenue from service concession arrangements	(1,781,713)	(153,393)
Less: Capitalization of interest	(1,389)	-
Cash paid during the year	<u>\$ 3,041</u>	<u>\$ 1,185</u>

(33) Changes in liabilities from financing activities

The Group's liabilities from financing activities for the years ended December 31, 2025 and 2024 included short-term borrowings, short-term notes and bills payable, corporate bonds payable, long-term borrowings, and lease liabilities. The summary amount is as follows. For the rest of the information, refer to the cash flow statement.

	2025	2024
	Liabilities from financing activities-gross	Liabilities from financing activities-gross
At January 1	\$ 2,362,960	\$ 2,294,551
Changes in cash flow from financing activities	2,839,951	68,086
Changes in other non-cash items	51,185	323
At December 31	<u>\$ 5,254,096</u>	<u>\$ 2,362,960</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 52.92% of the Company's shares. The remaining 47.08% of the shares are widely held by the public.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
CTCI Corp.	Ultimate parent company
CTCI Chemical Corp.	Associate
CTCI Machinery Corp.	Associate
Ever Ecove Corporation	Associate
CTCI Smart Engineering Corporation	Associate
CTCI Resources Engineering Inc.	Associate
CTCI Development Corp.	Associate
CTCI Advanced Systems Inc.	Associate
CTCI STSP Water Resources Corp.	Associate
CTCI Beijing Co., Ltd.	Associate
Jing Ding Green Energy Technology Co. Ltd.	Associate
Bao Ding Reclaimed Water Co., Ltd	Other related party
CTCI Education Foundation	Other related party
CTCI Foundation	Other related party
Blue Whale Water Technologies Corporation	Other related party
HDEC-CTCI (Linhai) Corporation	Other related party

(3) Significant transactions and balances with related parties

A. Operating revenue

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Operating revenue:		
Ultimate parent company	\$ 70,445	\$ 62,350
Associates	327,334	250,149
Other related parties	2,025	4,808
	<u>\$ 399,804</u>	<u>\$ 317,307</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.

(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

	Years Ended December 31	
	2025	2024
Ultimate parent company	\$ 334,043	\$ 144,809
Associates	327,830	323,762
	<u>\$ 661,873</u>	<u>\$ 468,571</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.

C. Accounts receivable

	December 31, 2025	December 31, 2024
Ultimate parent company	\$ 23,240	\$ 9,926
Associates	154,856	190,138
Other related parties	178	1,221
Less: Allowance for uncollectible accounts	(335)	-
	<u>\$ 177,939</u>	<u>\$ 201,285</u>

D. Contract liabilities

	December 31, 2025	December 31, 2024
Ultimate parent company	\$ 13,501	\$ 2,406

E. Accounts payable

	December 31, 2025	December 31, 2024
Ultimate parent company	\$ 4,857	\$ 136,846
Associates	48,809	55,300
	<u>\$ 53,666</u>	<u>\$ 192,146</u>

F. Prepayments

	December 31, 2025	December 31, 2024
Ultimate parent company	\$ 313,336	\$ -
Associates	6,763	-
	<u>\$ 320,099</u>	<u>\$ -</u>

Note: The above represents prepayments for sub-contract costs and material purchases.

G. Other receivables - related parties

	December 31, 2025	December 31, 2024
Other receivables:		
Associates (Note)	\$ 32	\$ 34
Other related parties	1,050	-
	<u>\$ 1,082</u>	<u>\$ 34</u>

Note: The above receivables arose from personnel transfers from related parties and apportioned office expenses.

H. Loans to /from related parties:

(1) Loans from related parties:

A. Outstanding balance:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates	\$ 150,000	\$ -

B. Interest expense

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Associates (Note)	\$ -	\$ 481

Note: The terms of borrowings include interest to be calculated and paid monthly, using the annual rate of 2.00% and 1.91% for the years ended December 31, 2025 and 2024, respectively. The capitalized interest amounted to \$ 1,389 and \$0 for the years ended December 31, 2025 and 2024, respectively.

(2) Loans to related parties

Loans to related parties – Interest income

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
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 year ended December 31, 2024.

I. Other income

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Ultimate parent company	\$ -	\$ 2
Associates	1,101	752
Other related parties	7,384	7,731
	<u>\$ 8,485</u>	<u>\$ 8,485</u>

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

J. Operating expenses

	Years Ended December 31	
	2025	2024
Ultimate parent company	\$ 26,930	\$ 18,491
Associates	3,231	3,006
	<u>\$ 30,161</u>	<u>\$ 21,497</u>

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

K. Other payables-related parties

Other payables

	December 31, 2025	December 31, 2024
Ultimate parent company	\$ 10,922	\$ 9,784
Associates	255	-
	<u>\$ 11,177</u>	<u>\$ 9,784</u>

L. Leasing arrangements - lessee

(a) As of December 31, 2025, 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	\$56/year	2019.1.1~2028.12.7
Associate	"	\$285/year	2010.7.22~2029.7.21
Associate	"	\$14,926/year	2021.8.1~2031.7.31

(b) Acquisition of right-of-use assets:

	Years Ended December 31	
	2025	2024
Associates	<u>\$ 3,557</u>	<u>\$ 15,571</u>

(c) Lease liabilities

	December 31, 2025	December 31, 2024
Ultimate parent company	\$ 362	\$ 495
Associates	79,217	90,490
	<u>\$ 79,579</u>	<u>\$ 90,985</u>

(d) Interest expense on lease liabilities

	Years Ended December 31	
	2025	2024
Ultimate parent company	\$ 3	\$ 4
Associates	834	790
	<u>\$ 837</u>	<u>\$ 794</u>

M. Endorsements and guarantees provided to related parties:

	December 31, 2025	December 31, 2024
Associates	\$ 1,925,600	\$ 1,925,600
Other related parties	293,000	293,000
	<u>\$ 2,218,600</u>	<u>\$ 2,218,600</u>

(4) Key management compensation

	Years Ended December 31	
	2025	2024
Salaries and other short-term employee benefits	\$ 44,805	\$ 48,959
Post-employment benefits	755	1,080
Total	<u>\$ 45,560</u>	<u>\$ 50,039</u>

8. PLEDGED ASSETS

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

Assets	Book value		Purposes
	December 31, 2025	December 31, 2024	
Non-current financial assets at amortised cost	\$ 49,534	\$ 31,261	Guarantee for bid
Other non-current assets			
Refundable deposits	334,314	30,293	Guarantee for bid, rent, performance guarantee, tender bond and staff dormitory
	<u>\$ 383,848</u>	<u>\$ 61,554</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 December 31, 2025 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 December 31, 2025, the guarantee notes issued amounted to \$16,438,495.

(2) As of December 31, 2025, for contractual guarantee, performance guarantee, waste collection and other guarantees, the Group has a performance letter of guarantee issued by the bank amounting to \$1,605,593.

(3) As of December 31, 2025, the Group had outstanding commitments for service contracts amounting to \$5,668,180.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The appropriation of 2025 earnings had been proposed at the Board of Directors' meeting on March 9, 2026. Refer to Note 6(22)G for detailed information.

(2) The Board of Directors of the subsidiary, ECOVE Environment Service Corp., resolved to establish the second-tier subsidiary, ECOVE Keelung Energy Corp. during its meeting on January 23, 2026 and acquired 100% equity interest in the company with the investment amount of \$150,000.

(3) On January 21, 2026, the subsidiary, ECOVE Environment Service Corp., completed the land transfer process for the land located at Lun Hai Section No. 60-21, Lukang Township, Changhua County. The asset mortgage was setup as collateral for the bank loan. Refer to Note 6(11)D for detailed information.

(4) The Board of Directors of the Company resolved to issue the second domestic unsecured convertible bonds with an amount not exceeding \$2,000,000 during its meeting on March 9, 2026.

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 total borrowings divided by total capital. Total borrowings includes 'current and non-current borrowings' as shown in the consolidated balance sheet. Total capital is calculated as 'equity' as shown in the consolidated balance sheet.

The gearing ratios at December 31, 2025 and 2024 were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total borrowings	\$ 5,008,986	\$ 2,121,451
Total equity	\$ 7,703,972	\$ 7,395,921
Gearing ratio	<u>65%</u>	<u>29%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</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	\$ 485,213	\$ 579,544
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	295,426	304,142
Financial assets at amortised cost		
Cash and cash equivalents	2,441,271	2,003,967
Financial assets at amortised cost	62,434	343,890
Accounts receivable	652,414	960,733
Accounts receivable - related parties	177,939	201,285
Other receivables	81,985	5,418
Other receivables - related parties	1,082	34
Refundable deposits	334,314	30,293
Long-term accounts receivable	197,181	384,001
	<u>\$ 4,729,259</u>	<u>\$ 4,813,307</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ -	\$ 125,000
Notes payable	-	11,054
Accounts payable	2,277,233	1,642,162
Accounts payable - related parties	53,666	192,146
Other payables	413,782	449,291
Other payables - related parties	161,177	9,784
Bonds payable (including current portion)	1,998,986	1,996,451
Long-term borrowings (including current portion)	2,860,000	-
Guarantee deposits received	354,306	332,407
	<u>\$ 8,119,150</u>	<u>\$ 4,758,295</u>
Lease liability	<u>\$ 245,110</u>	<u>\$ 241,509</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, JPY 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 USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY : NTD	\$ 132,199	0.2009	\$ 26,559
MOP : NTD	12,044	3.9141	47,143
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	\$ 482	3.9141	\$ 1,889

December 31, 2024			
Foreign currency	amount	Exchange	Book value
(Foreign currency : functional currency)	(in thousands)	rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 111	32.7110	\$ 3,631
JPY : NTD	320,106	0.2076	66,454
MOP : NTD	30,420	4.0843	124,244
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	\$ 7,400	4.0843	\$ 30,224

- v. For the unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group, refer to Note 6(26).
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025			
Sensitivity analysis			
(Foreign currency : functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY : NTD	1.00%	\$ 266	\$ -
MOP : NTD	1.00%	471	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	1.00%	19	-

	Year ended December 31, 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>			
JPY : NTD	1.00%	\$ 665	\$ -
MOP : NTD	1.00%	1,242	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
MOP : NTD	1.00%	302	-

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.

(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 December 31, 2025 and 2024, the provision matrix is as follows:

	Excellent customers (Note 1)	General customers (Note 2)	Total
<u>At December 31, 2025</u>			
Expected loss rate	0%~0.05%	0%~0.05%	
Total book value	\$ 841,183	\$ 186,976	\$ 1,028,159
Loss allowance	(\$ 335)	(\$ 290)	(\$ 625)
	Excellent customers (Note 1)	General customers (Note 2)	Total
<u>At December 31, 2024</u>			
Expected loss rate	0%~0.03%	0%~0.03%	
Total book value	\$ 1,306,136	\$ 239,942	\$ 1,546,078
Loss allowance	\$ -	(\$ 59)	(\$ 59)

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:

	2025	2024
	Accounts receivable	Accounts receivable
At January 1	\$ 59	\$ 46
Provision for impairment	566	13
At December 31	<u>\$ 625</u>	<u>\$ 59</u>

(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

<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
Accounts payable (including related parties)	\$ 2,330,899	\$ -
Other payables (including related parties)	576,397	-
Lease liabilities	48,292	212,512
Bonds payable (including current portion)	2,004,840	-
Long-term borrowings (including current portion)	68,370	3,050,205
Other non-current liabilities	-	354,306

Non-derivative financial liabilities

<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
Short-term borrowings	\$ 125,175	\$ -
Notes payable	11,054	-
Accounts payable (including related parties)	1,834,308	-
Other payables (including related parties)	459,075	-
Lease liabilities	41,352	217,617
Bonds payable (including current portion)	12,100	2,004,840
Other non-current liabilities	-	332,407

(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. The fair value of the Group's investments in derivative instruments is included in Level 2.

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:

December 31, 2025	<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	\$ 466,088	\$ -	\$ -	\$ 466,088
Derivative instruments	-	19,125	-	19,125
Financial assets at fair value through other comprehensive income				
Equity securities	63,491	-	231,935	295,426
	<u>\$ 529,579</u>	<u>\$ 19,125</u>	<u>\$ 231,935</u>	<u>\$ 780,639</u>

December 31, 2024	<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	\$ 579,544	\$ -	\$ -	\$ 579,544
Financial assets at fair value through other comprehensive income				
Equity securities	106,328	-	197,814	304,142
	<u>\$ 685,872</u>	<u>\$ -</u>	<u>\$ 197,814</u>	<u>\$ 883,686</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. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- F. For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2.
- G. Movements on Level 3 for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ 197,814	\$ 120,624
Gain recognized in other comprehensive income Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other	34,127	29,871
Acquired during the year	-	47,322
Decrease during the year	(6)	(3)
At December 31	<u>\$ 231,935</u>	<u>\$ 197,814</u>

- H. 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.

I. 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 December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 231,935	Market price method	Price to book ratio multiple, discount for lack of marketability	Median : 2.26 Average : 2.16 Liquidity discount : 30%	The higher the multiple and control premium, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 197,814	Market price method	Price to book ratio multiple, discount for lack of marketability	Median : 1.93 Average : 2.00 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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. 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 4.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 5.
- F. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(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.

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:

	Years Ended December 31	
	2025	2024
Revenue from external customers	\$ 9,656,402	\$ 8,530,650
Inter-segment revenue	1,190,971	1,494,481
Total segment revenue	\$ 10,847,373	\$ 10,025,131
Segment income	\$ 1,737,247	\$ 1,554,406
Depreciation	\$ 411,723	\$ 413,078
Amortisation	\$ 66,524	\$ 65,823

(3) Reconciliation information of segmental income

A reconciliation of adjusted EBITDA for reportable segment and income from continuing operations before income tax for the years ended December 31, 2025 and 2024 is provided as follows:

	Years Ended December 31	
	2025	2024
Adjusted EBITDA for reportable segment	\$ 1,737,247	\$ 1,554,406
Financial cost, net	(57,575)	(22,739)
Others	170,001	209,639
Income from continuing operations before income tax	\$ 1,849,673	\$ 1,741,306

(4) Information on products and services

The Company and its subsidiaries are operating in an environmental-friendly industry. In addition, no product information is disclosed.

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31			
	2025		2024	
	Operating revenue	Non-current assets	Operating revenue	Non-current assets
Taiwan	\$ 8,870,787	\$ 10,028,001	\$ 7,456,008	\$ 6,242,634
Macau	688,212	-	973,547	9,131
USA	97,403	459,102	101,095	537,067
Total	<u>\$ 9,656,402</u>	<u>\$ 10,487,103</u>	<u>\$ 8,530,650</u>	<u>\$ 6,788,832</u>

Non-current assets consists of property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31	
	2025	2024
Customer A	\$ 2,488,695	\$ 2,206,956
Customer B	1,840,404	153,392
Customer C	678,004	482,774
Customer D	308,569	246,920
Customer E	295,456	308,881

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Loans to others
For the year ended December 31, 2025

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 year ended December 31, 2025 (Note 3)	Balance at December 31, 2025 (Note 8)	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
													Item	Value			
0	ECOVE Environment Corp.	ECOVE Solar Power Corporation	Other receivables - related parties	Yes	\$ 1,200,000	\$ 1,200,000	\$ 690,000	1.91%-2%	2	\$ -	For operational needs	\$ -	-	\$ -	\$ 2,830,467	\$ 2,830,467	-
0	"	ECOVE Environment Services Corp.	"	"	700,000	300,000	-	-	"	-	"	-	"	-	2,830,467	2,830,467	-
0	"	ECOVE Waste Management Corp.	"	"	30,000	30,000	20,000	2.00%	"	-	"	-	"	-	2,830,467	2,830,467	-
0	"	ECOVE Environment Services Gangshan Corporation	"	"	150,000	150,000	-	-	"	-	"	-	"	-	2,830,467	2,830,467	-
1	ECOVE Environment Services Corp.	CTCI Development Corp.	"	"	11,000	-	-	-	"	-	"	-	"	-	707,590	707,590	-

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 year ended December 31, 2025

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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2025 (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
0	ECOVE Environment Corp.	ECOVE Solvent Recycling Corporation	2	\$ 42,457,008	\$ 200,000	\$ 200,000	\$ -	\$ -	2.83%	\$ 70,761,680	Y	N	N	-
0	"	ECOVE Environment Services Gangshan Corporation	2	42,457,008	900,000	900,000	250,000	-	12.72%	70,761,680	Y	N	N	-
0	"	ECOVE Solar Power Corporation	2	42,457,008	1,251,326	951,326	70,039	-	13.44%	70,761,680	Y	N	N	-
0	"	ECOVE Chiayi Energy Corp.	6	42,457,008	2,515,550	2,350,000	100,000	-	33.21%	70,761,680	Y	N	N	-
0	"	Ever Ecove Corporation	6	42,457,008	192,500	192,500	128,530	-	2.72%	70,761,680	N	N	N	-
1	ECOVE Solar Power Corporation	ECOVE Environment Corp.	3	1,928,947	19,196	19,196	19,196	-	3.98%	2,893,420	N	Y	N	-
2	ECOVE Environment Service Corp.	Jing Ding Green Energy Technology Co., Ltd.	6	10,613,844	1,733,100	1,733,100	333,570	-	97.97%	17,689,741	N	N	N	-
2	"	ECOVE Chiayi Energy Corp.	6	10,613,844	1,257,775	1,175,000	50,000	-	66.42%	17,689,741	N	N	N	-
2	"	Bao Ding Reclaimed Water Co., Ltd.	6	10,613,844	293,000	293,000	239,500	-	16.56%	17,689,741	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 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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

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	December 31, 2025				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	-	\$ 13,614	-
				Adjustment		(3,057)		\$ 13,614	
"	"	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	118	2	0.001%	2	-
"	Beneficiary Certificates	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	3,519,986	50,576	-	50,576	-
ECOVE Miaoli Energy Corp.	"	Taishin 1699 Money Market Fund	"	"	6,326,887	90,906	-	90,906	-
"	"	UPAMC JAMES BOND MONEY MARKET Fund	"	"	16,089,275	284,145	-	284,145	-
Yuan Ding Resources Corp.	"	Taishin 1699 Money Market Fund	"	"	2,815,989	40,461	-	40,461	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corporation	Ultimate Parent Company	Financial assets at fair value through other comprehensive income - current	1,130	36	-	36	-
"	"	Taiwan Cement Corp.	None	"	1,547,328	36,052	-	36,052	-
"	"	Bao Ding Reclaimed Water Co., Ltd.	"	Financial assets at fair value through other comprehensive income - non-current	13,450,000	231,922	10.00%	231,922	-
ECOVE Waste Management Corp.	Common Stock	Taiwan Cement Corp.	"	Financial assets at fair value through other comprehensive income - current	591,804	13,789	-	13,789	-
"	"	ECOVE Environment Corp.	The Company	"	1,605	476	-	476	-

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.

Note 5: This table lists the securities that the company has determined should be disclosed based on the principle of materiality.

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 year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corporation	Associate	(Operating and maintaining revenue)	(\$ 610,247)	(11%)	30 days monthly	No significant difference		\$ 237,799	40%	-
"	ECOVE Mioali Energy Corporation	"	(Operating and maintaining revenue)	(162,738)	(3%)	"	"		25,918	4%	-
ECOVE Environment Services Gangshan Corporation	ECOVE Environment Services Corp.	"	Operating cost	610,247	64%	"	"		(237,799)	(58%)	-
ECOVE Mioali Energy Corporation	ECOVE Environment Services Corp.	"	Operating cost	162,738	90%	"	"		(25,918)	(100%)	-

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

December 31, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
				Amount	Action taken		
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corporation	\$ 237,799	2.57	\$ -	Active collection	\$ -	\$ -
ECOVE Environment Corp.	ECOVE Solar Power Corporation	691,138	Note 3	-	Note 3	-	-

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

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

Note 3: Other accounts receivable arising from lending capital and receivables from directors and supervisors for labor contributions.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the year ended December 31, 2025

Table 6

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	\$ 691,138	-	4.11%
0	"	ECOVE Solar Power Corporation	"	Endorsements and guarantees	951,326	-	N/A
0	"	ECOVE Environment Services Gangshan Corporation	"	"	900,000	-	N/A
0	"	ECOVE Solvent Recycling Corporation	"	"	200,000	-	N/A
0	"	ECOVE Chiayi Energy Corp.	"	"	2,350,000	-	N/A
1	ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	3	Operating revenue	162,738	30 days monthly	1.69%
1	"	ECOVE Environment Services Gangshan Corporation	"	Operating revenue	610,247	"	6.32%
1	"	ECOVE Chiayi Energy Corp.	"	Endorsements and guarantees	1,175,000	-	N/A
1	"	ECOVE Environment Services Gangshan Corporation	"	Accounts receivable	237,799	30 days monthly	1.41%

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.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	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.	\$ -	\$ 150,535	-	-	\$ -	\$ 936	\$ 936	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%	1,774,654	922,447	919,606	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%	78,418	33,455	33,455	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%	637,964	93,029	69,771	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%	40,483	447	447	A subsidiary
ECOVE Environment Corp.	ECOVE Solvent Recycling Corporation	Taiwan	Operating basic chemical industry and manufacture of other chemical products	104,179	104,179	9,000,000	100.00%	132,162	19,083	19,083	A subsidiary
ECOVE Environment Corp.	ECOVE Chiayi Energy Corp.	Taiwan	Waste services, waste clean, etc.	500,000	500,000	50,000,000	50.00%	630,836	260,079	130,039	A subsidiary
ECOVE Environment Corp.	ECOVE Solar Power Corporation	Taiwan	Energy technology services, etc.	306,000	306,000	30,600,000	100.00%	482,237	18,750	18,750	A subsidiary
ECOVE Environment Corp.	G.D International, LLC.	U.S.A.	Energy technology services, etc.	189,197	189,197	-	100.00%	552,097	18,458	18,458	A subsidiary
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	309,437	309,489	12,037,903	16.24%	551,118	324,106	57,922	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%	126,640	248,273	12,748	An investee using equity method
ECOVE Environment Service Corp.	CTCI Chemicals Corp.	Taiwan	Industrial chemicals' wholesale manufacturing and retail.	24,851	24,851	1,910,241	26.905%	92,577	104,153	28,077	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	93,029	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%	41,545	113,956	34,187	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%	53,005	(3,870)	(3,677)	A subsidiary
ECOVE Environment Services Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Waste water and waste sludge disposal service	215,990	194,990	21,599,000	30.00%	195,322	(25,321)	(7,596)	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%	338,846	78,296	78,296	A subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
ECOVE Environment Services Corp.	ECOVE Chiayi Energy Corp.	Taiwan	Waste services, waste clean, etc.	\$ 250,000	\$ 250,000	25,000,000	25.00%	\$ 315,418	\$ 260,079	\$ 65,020	Affiliate
ECOVE Waste Management Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Waste water and waste sludge disposal service	10	10	1,000	0.001%	10 (25,321)	-	An investee using equity method
G.D International, LLC.	Lumberton Solar W2-090, LLC	U.S.A.	Energy technology services, etc.	189,197	189,197	-	100.00%	552,573	18,694	18,694	A subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2025' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2025' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.