

**ECOVE Environment Corporation**  
**Minutes of 2024 Annual General Meeting of Shareholders**  
**(Translation)**

*(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)*

**Time and Date of Meeting: 9:00 a.m., May 27, 2024**

**Place of Meeting: No. 127, Sec.7, Zhongshan N. Rd., Taipei,  
Mellow Fields Hotel 502 Room**

**Convening method: Physical meeting**

**Total outstanding shares of ECOVE Environment Corp. (excluding the shares without voting right as stipulated in Article 179 of the Company Act) : 71,882,164 shares**

**Total shares represented by shareholders present : 49,358,526 shares**

**Percentage of shares held by shareholders present : 68.66%**

**Attendees :**

**Shuh Woei Yu (Independent Director, Audit Committee convener)  
, Shan-Shan Chou (Independent Director), James Tsai (Independent  
Director), Yang Ming Liu (Director), H. H. Tiao (Director & General Manager),  
Fu Ming Liao (CPA), S. Y. Chou (Attorney-at-law)**

**Chairman : J. J. Liao, the Chairman of the ECOVE Environment Corp.**

**Recorder : S. C. Ku**

**The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.**

**Chairman's Address : (Omitted)**

## 1. Report Items

- (1) Business Report of 2023. (Please refer to Attachment 1)
- (2) Audit committee's review report of 2023. (Please refer to Attachment 5)
- (3) The directors' & employees' remuneration of 2023. (Please refer to Attachment 6)
- (4) As at 31/12/2023, the aggregate amount of guarantees provided by the company was NT\$5,232,500 thousands and the highest amount for a single enterprise was NT\$2,670,000 thousands which are all under its respective ceiling. (Please refer to Attachment 7)
- (5) Distribution of cash dividends report of 2023. (Please refer to Attachment 8)
- (6) Report on the share transfer of the Company and ECOVE Solvent Recycling Corp.
  1. In order to simplify the shareholding structure therefore enhance the operating performance, the Company acquired 100% of shares of ECOVE Solvent Recycling Corp. (hereinafter "ECOVE SRC") through share transfer. The exchange ratio is 1 share of ECOVE SRC transfer to 0.0637 new common share of the Company. The record date was December 29, 2023.
  2. The corporate amendment registration of the share transfer was approved by and registered with the Ministry of Economic Affairs on February 27, 2024.

## 2. Ratification Items

### (1) To Ratify 2023 Business Report, Financial Statements and Consolidated Financial Statements (Proposed by the Board of Directors)

#### Explanatory Notes :

The Company's 2023 business report, financial statements and consolidated financial statements have been approved by the Board of Directors, with the financial statements having been audited and certified by Mr. Fu-Ming Liao and Mr. Yi-Fan Lin, the CPA of the PricewaterhouseCoopers.

The above-mentioned documents subsequently examined by Audit Committee pursuant to Article 228 of the Company Act. The Business Report and Financial Statements are hereby submitted for ratification. (Please refer to Attachment 1 to Attachment 3)

**Voting Results :** 49,355,035 shares were represented at the time of voting

Voting Results*	% of the total represented share present
Votes in favor : 49,278,103 votes (47,236,392 votes)	99.84%
Votes against : 15,856 votes (15,856 votes)	0.03%
Votes invalid : 0 vote	0.00%
Votes abstained : 61,076 votes (58,076 votes)	0.12%

\*including vote casted electronically (number in brackets)

**Resolved,** that 2023 Business Report and Financial Statements be and hereby were ratified as submitted.

### (2) To Ratify the Company's Distribution of 2023 earnings (Proposed by the Board of Directors)

#### Explanatory Notes :

The Table for 2023 Estimated Profit Distribution is compiled as follows in accordance with the Company Act and Articles of Incorporation (Please refer Attachment 4) and has been approved by the Audit Committee and Board of Directors of the Company.

**Voting Results** : 49,355,035 shares were represented at the time of voting

Voting Results*	% of the total represented share present
Votes in favor : 49,277,011 votes (47,235,300 votes)	99.84%
Votes against : 17,148 votes (17,148 votes)	0.03%
Votes invalid : 0 vote	0.00%
Votes abstained : 60,876 votes (57,876 votes)	0.12%

\*including vote casted electronically (number in brackets)

**Resolved**, that the Company's distribution of 2023 earnings be and hereby was ratified as submitted.

### 3. Discuss Items

#### (1) To approve the lifting of new director of non-competition restrictions (Proposed by the Board of Directors)

##### Explanatory Notes :

- (1) Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such act and secure its approval.
- (2) It is proposed the shareholders' meeting to approve the lifting of the CTCI re-appointed director on September 22, 2023 of non-competition restrictions.

Category	Name	Competitive conduct to be released
Director	CTCI Corporation Rep. : H. H. Tiao	<ul style="list-style-type: none"><li>-President, ECOVE Environmental Corp.</li><li>-Chairman/President, ECOVE Environmental Services Corp.</li><li>-Chairman, ECOVE Miaoli Energy Corp.</li><li>-Chairman, ECOVE Wujih Energy Corp.</li><li>-Chairman, ECOVE Waste Management Corp.</li><li>-Chairman, ECOVE Solvent Recycling Corp.</li><li>-Chairman, ECOVE Solar Energy Corp.</li><li>-Chairman, ECOVE Solar Power Corp.</li><li>-Director, ECOVE South Corp. Ltd.</li><li>-Chairman/President, G.D. International, LLC</li><li>-Chairman/President, LUMBERTON SOLAR W2-090, LLC</li><li>-Chairman, Yuan Ding Resources Management Corp.</li><li>-Director, SINO GAL-Waste Services Co., Ltd.</li><li>-Director, BORETECH Resource Recovery Engineering Co., Ltd. (Cayman)</li><li>-Chairman, ECOVE Resource Recycling Corp.</li><li>-Chairman, ECOVE Gangshan Energy Corp.</li><li>-Chairman, ECOVE Chiayi Energy Corp.</li></ul>

**Voting Results** : 49,355,035 shares were represented at the time of voting

Voting Results*	% of the total represented share present
Votes in favor : 49,253,288 votes (47,211,577 votes)	99.79%
Votes against : 28,065 votes (28,065 votes)	0.05%
Votes invalid : 0 vote	0.00%
Votes abstained : 73,682 votes (70,682 votes)	0.14%

\*including vote casted electronically (number in brackets)

**Resolved**, that the above proposal be and hereby was approved as proposed.

**(2) To approve the amendment of the Company's "Articles of Incorporation"  
(Proposed by the Board of Directors)**

**Explanatory Notes:**

Please refer to Attachment 9 for the comparison table between the existing provisions and amendments of "Articles of Incorporation".

**Voting Results** : 49,355,035 shares were represented at the time of voting

Voting Results*	% of the total represented share present
Votes in favor : 49,264,603 votes (47,223,892 votes)	99.81%
Votes against : 17,376 votes (17,376 votes)	0.03%
Votes invalid : 0 vote	0.00%
Votes abstained : 73,056 votes (69,056 votes)	0.14%

\*including vote casted electronically (number in brackets)

**Resolved**, that the above proposal be and hereby was approved as proposed.

**(3) To approve the amendment of the company's "The Procedure for Marking of Endorsements or Guarantees" (Proposed by the Board of Directors)**

**Explanatory Notes :**

Please refer to Attachment 10 for the comparison table between the existing provisions and amendments of " The Procedure for Marking of Endorsements or Guarantees".

**Voting Results :** 49,355,035 shares were represented at the time of voting

Voting Results*	% of the total represented share present
Votes in favor : 48,462,050 votes (46,421,339 votes)	98.19%
Votes against : 822,509 votes (822,509 votes)	1.66%
Votes invalid : 0 vote	0.00%
Votes abstained : 70,476 votes (66,476 votes)	0.14%

\*including vote casted electronically (number in brackets)

**Resolved,** that the above proposal be and hereby was approved as proposed.

**4. Special Motion : None.**

**5. Meeting Adjourned : 9:28 a.m.**

There are no questions from shareholders at this shareholders meeting.

In the minutes of this shareholders' meeting, only the essential points of the proceedings are recorded; for the content and procedures of the meeting, meeting video and audio shall prevail.

## ECOVE ENVIRONMENT CORPORATION

### Business Report of 2023

From 2023/01/01 to 2023/12/31

#### 1、Business Performance:

For the year end of 2023, the standalone operating revenue was NT\$1,156,146 thousands, the consolidated operating revenue was NT\$7,628,502 thousands, and the consolidated profit after tax was NT\$1,164,040 thousands.

Consolidated operating revenue breakdown is as follows:

(Unit : NT\$ thousands)

Sales of Electricity	2,679,713
Waste Disposal Revenues	2,139,524
Mechatronic Maintenance Revenues	1,802,648
Service Concession Revenues	555,584
Removal & Trans. Revenues	270,913
Others	180,120
Total	7,628,502

#### 2、Performance Review :

Compared to year of 2022, the consolidated operating revenue of the year 2023 is increased by NT\$598,342 thousands to NT\$7,628,502 thousands. The main reasons come from the new projects of subsidiary ESC and SEC.

Consolidated and standalone operating revenue breakdown is as follows:

(Unit : NT\$ thousands)

Consolidated Operating Revenues for 2023	7,628,502
Consolidated Operating Revenues for 2022	7,030,160
Increase from 2022 to 2023	598,342
Percentage of increase	8.51%
Operating Revenues for 2023	1,156,146
Operating Revenues for 2022	1,044,850
Increase from 2022 to 2023	111,296
Percentage of increase	10.65%
Net Profit After Tax for 2023	1,164,040
Net Profit After Tax for 2022	1,045,026
Increase from 2022 to 2023	119,014
Percentage of increase	11.39%



### 3 、 Business Outlook of Year 2024 :

Looking back 2023, for business promotion and execution, ECOVE followed a path of sustainable growth focusing on both the current business it has and new opportunities. While maintaining stable operations in existing businesses, our colleagues have not slackened in their efforts to expand into various fields. They have achieved remarkable results. In waste management, we successfully secured the "Chiayi Green Energy Sustainable Recycling Center BOT project," becoming the top applicant. This marks a significant advancement in our investment and operation of large-scale waste treatment facilities. In terms of recycling & reuse, in addition to recycling and processing approximately 3,500 tons of industrial-grade products from waste isopropanol (IPA) back into the market supply chain, we have also taken over the operation and management of "Nankang Reclamation Plant" executed by the group's parent company, CTCL. This plant recycles industrial wastewater for reuse in semiconductor manufacturing processes. In the renewable energy sector, through continuous efforts to secure public and private projects, the development of roof, ground-mounted, and floating solar power installations continues to increase. Maintenance work has also expanded to external customers. Additionally, we have actively responded to the government's policy of introducing private sector-provided grid ancillary services. We successfully integrated a 5MW energy storage system in the Nantou Industrial Park into the grid, providing automatic frequency regulation assistance to Taiwan Power Company. This expansion has extended our business into the field of energy storage.

#### A. Waste Management

Domestically, in addition to solidifying our current businesses, we will also start undertaking the O&M work for Taoyuan Biomass Energy Center, conducting the EIA for Changhua Coastal Low Carbon Circulation Reuse and Disposal Center, and handling the signing, financing, and pre-construction work for the "Chiayi Green Energy Sustainable Recycling Center BOT project." Also, in response to the government's project of EfW plant life extension and diversified waste treatment, we have been making use the experience of circular economy integration model from Taoyuan Biomass Energy Center and introducing mature technologies from overseas to provide for the government total solutions. Also, we actively explore new opportunities and participate in government's projects. In addition, under the trend of net zero carbon emissions, innovative technologies will also be introduced, and more efforts will be made to reduce carbon emissions, and use the internal execution experience to transform it into the basis for external opportunities acquisition. As for overseas markets, we keep developing business in ASEAN, China, and India by expressing our willingness to local governments that we are happy to cooperate with the local or foreign companies which have complementarity. Moreover, ECOVE actively participated in relevant forums and followed government's southbound policy, replicating successful PPP (BOT) business model and the mature O&M (including ROT) capabilities for overseas market.

#### B. Renewable Energy

In line with global development trends, we will continue to seek opportunities for solar photovoltaic investment and development, actively expanding our overseas investment scale while maintaining organic growth

domestically. Overseas, considering country risks and our experience, we will concentrate resources on steadily expanding investments and developments in the United States. We will evaluate the feasibility of large-scale solar energy storage projects cautiously, assessing the investment benefits and risks of each project. On the domestic front, in the solar photovoltaic sector, we will persist in participating in government tenders and seeking opportunities for expansion with existing clients. We will also develop diverse collaboration schemes for developing solar installations on private property roofs according to the needs of the clients. We will be prudent in selecting investment targets and ensure the timely execution of new investment projects. Regarding the maintenance of solar photovoltaic facilities, we will optimize operational efficiency based on our accumulated experience, enhancing performance at our own sites and leveraging this advantage to attract more external clients. Additionally, in response to the liberalization of the electricity industry and the demand for green energy from net-zero carbon enterprises, we will actively explore market opportunities and innovative business models.

C. Recycling and Reuse

While our waste solvent recycling and reuse business continues to operate steadily, we will build upon the success of this project to evaluate competitive technologies further. Specifically targeting the high-tech industry, we will explore additional recyclable items for development. In the field of water resource recovery, leveraging our experience from projects like Linkou Water Reclamation Plant and the O&M of High-tech Recycling Water Facility, we will further integrate the group's engineering resources to pursue investment and O&M opportunities in various government water reuse projects, corporate water reuse projects, and government seawater desalination projects. Regarding other recycling and reuse projects, we will continue to explore domestic and international technological resources and evaluate feasible business models. Driven by the wave of the circular economy and net-zero carbon emissions, we will seek opportunities in both industrial and household sectors, whether through self-development or through the evaluation of suitable acquisition targets.

D. Mechanical & Electrical Maintenance and Improvement

Building upon the existing maintenance of utility systems in high-tech factories, we will continue to develop high-value-added mechanical and electrical maintenance work related to high technology. Leveraging advanced technology in recycling and reuse, we will expand opportunities for establishing high-tech waste recycling facilities. Through intelligent management of EfW plants, we will effectively carry out equipment upgrades, maintenance, and annual overhauls, thus expanding the business of extending the lifespan of EfW plants.

## 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, 2023 and 2022, 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 significant accounting policies.

In our opinion, based on our audits and the audit reports of other independent auditors, as described in the other matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, 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, 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 2023 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 matters in our audit of the Group's 2023 consolidated financial statements are as follows:

#### **Accuracy of service revenue**

##### Description

Refer to Note 4(29) for accounting policies on operating revenue and Note 6(24) 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. The cash amount of service revenue was NT\$2,636,496 thousand, constituting 35% of operating revenue for the year ended December 31, 2023. As the determination of this type of revenue is subject to manual calculation, we considered the accuracy of service revenue 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 investees accounted for using equity method that are included in the consolidated financial statements. The balance of these investments accounted for using equity method was NT\$300,156 thousand and NT\$272,913 thousand, both constituting 2% of consolidated total assets as of December 31, 2023 and 2022, respectively, and the share of profit of associates and joint ventures accounted for using equity method was NT\$27,243 thousand and NT\$11,034 thousand, constituting 2% and 0.8% of consolidated total comprehensive income for the years then ended, respectively. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other independent auditors.

***Other matter - non-consolidated financial statements***

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, 2023 and 2022.

***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 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:

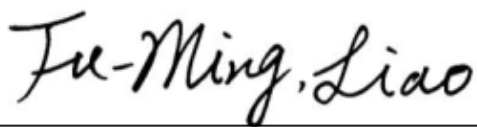
- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk 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.



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Liao, Fu-Ming



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Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 2024

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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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,663,477	13	\$	1,611,740	12
1110	Financial assets at fair value	6(2)						
	through profit or loss - current			1,033,535	8		1,522,915	12
1120	Current financial assets at fair	6(3)						
	value through other							
	comprehensive income			115,601	1		113,614	1
1136	Current financial assets at	6(4) and 8						
	amortised cost			288,496	2		138,333	1
1140	Current contract assets	6(24) and 7		866,155	6		642,206	5
1150	Notes receivable, net			6	-		6	-
1170	Accounts receivable, net	6(5)		942,411	7		813,356	6
1180	Accounts receivable - related	7						
	parties, net			11,773	-		20,724	-
1200	Other receivables			5,777	-		4,928	-
1210	Other receivables - related parties	7		157	-		64	-
1220	Current tax assets			7,953	-		31,598	-
130X	Inventories			103,512	1		100,681	1
1410	Prepayments	6(6)		91,937	1		129,210	1
11XX	Total current assets			5,130,790	39		5,129,375	39
Non-current assets								
1517	Non-current financial assets at	6(3)						
	fair value through other							
	comprehensive income			120,624	1		50,068	-
1550	Investments accounted for using	6(7)						
	equity method			824,288	7		739,380	6
1600	Property, plant and equipment,	6(8) and 8						
	net			4,472,310	34		4,303,398	32
1755	Right-of-use assets	6(9)		289,983	2		278,458	2
1780	Intangible assets	6(10)		896,571	7		955,261	7
1840	Deferred income tax assets	6(31)		39,406	-		35,379	-
1900	Other non-current assets	6(11), 7 and 8		1,309,330	10		1,797,188	14
15XX	Total non-current assets			7,952,512	61		8,159,132	61
1XXX	Total assets		\$	13,083,302	100	\$	13,288,507	100

(Continued)

**ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ -	-	\$ 360,000	3
2110	Short-term notes and bills payable	6(13)	19,983	-	-	-
2130	Current contract liabilities	6(24) and 7	147,541	1	100,304	1
2150	Notes payable		1,643	-	4,660	-
2170	Accounts payable	6(14)	1,399,199	11	1,327,844	10
2180	Accounts payable - related parties	7	56,090	1	12,649	-
2200	Other payables	6(15)	492,201	4	447,174	3
2220	Other payables - related parties	7	8,878	-	268,526	2
2230	Income tax liabilities		299,100	2	271,498	2
2280	Current lease liabilities	7	39,614	-	40,913	-
2320	Long-term liabilities, current portion	6(17)	-	-	52,288	1
2399	Other current liabilities		9,907	-	42,348	-
21XX	<b>Total current liabilities</b>		<u>2,474,156</u>	<u>19</u>	<u>2,928,204</u>	<u>22</u>
<b>Non-current liabilities</b>						
2527	Non-current contract liabilities	6(24)	495,750	4	711,552	5
2530	Bonds payable	6(16)	1,993,916	15	1,991,381	15
2570	Deferred income tax liabilities	6(31)	107,350	1	134,206	1
2580	Non-current lease liabilities	7	241,038	2	225,217	2
2600	Other non-current liabilities	6(18)	954,441	7	868,606	7
25XX	<b>Total non-current liabilities</b>		<u>3,792,495</u>	<u>29</u>	<u>3,930,962</u>	<u>30</u>
2XXX	<b>Total liabilities</b>		<u>6,266,651</u>	<u>48</u>	<u>6,859,166</u>	<u>52</u>
<b>Equity attributable to owners of parent</b>						
	Share capital	6(21)				
3110	Common stock		715,590	6	704,579	5
3140	Advance receipts for share capital		589	-	2,334	-
	Capital surplus	6(22)				
3200	Capital surplus		2,786,873	21	2,626,341	20
	Retained earnings	6(23)				
3310	Legal reserve		1,045,141	8	940,121	7
3320	Special reserve		-	-	14,895	-
3350	Unappropriated retained earnings		1,727,596	13	1,622,165	12
	Other equity interest					
3400	Other equity interest		46,943	-	16,017	-
3500	Treasury shares	6(21)	(57)	-	(57)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>6,322,675</u>	<u>48</u>	<u>5,926,395</u>	<u>44</u>
36XX	Non-controlling interest	4(3)	493,976	4	502,946	4
3XXX	<b>Total equity</b>		<u>6,816,651</u>	<u>52</u>	<u>6,429,341</u>	<u>48</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 13,083,302</u>	<u>100</u>	<u>\$ 13,288,507</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, 2023 AND 2022

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

		Year ended December 31					
		2023		2022			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000 Operating revenue	6(24) and 7	\$ 7,628,502	100	\$ 7,030,160	100		
5000 Operating costs	6(29)(30) and 7	( 6,008,793 )	79	( 5,444,710 )	78		
5900 Gross profit		<u>1,619,709</u>	<u>21</u>	<u>1,585,450</u>	<u>22</u>		
Operating expenses	6(29)(30) and 7						
6200 General and administrative expenses		( 158,067 )	2	( 165,428 )	2		
6000 Total operating expenses		( 158,067 )	2	( 165,428 )	2		
6900 Operating profit		<u>1,461,642</u>	<u>19</u>	<u>1,420,022</u>	<u>20</u>		
Non-operating income and expenses							
7100 Interest income	6(25) and 7	15,230	-	9,208	-		
7010 Other income	6(26) and 7	27,245	-	34,295	-		
7020 Other gains and losses	6(27)	17,616	-	7,149	-		
7050 Finance costs	6(28) and 7	( 30,161 )	-	( 26,979 )	-		
7060 Share of profit of associates and joint ventures accounted for using equity method	6(7)						
		<u>131,576</u>	<u>2</u>	<u>74,398</u>	<u>1</u>		
7000 Total non-operating income and expenses		<u>161,506</u>	<u>2</u>	<u>98,071</u>	<u>1</u>		
7900 Profit before income tax		1,623,148	21	1,518,093	21		
7950 Income tax expense	6(31)	( 256,460 )	3	( 239,931 )	3		
8200 Profit for the year		<u>\$ 1,366,688</u>	<u>18</u>	<u>\$ 1,278,162</u>	<u>18</u>		
<b>Other comprehensive income</b>							
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>							
8311 (Losses) gains on remeasurements of defined benefit plans	6(19)	( \$ 4,544 )	-	\$ 6,482	-		
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	32,494	-	( 29,583 )	-		
8320 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		( 28 )	-	121	-		
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	1,402	-	( 1,427 )	-		
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>							
8361 Cumulative translation differences of foreign operations		( 6,250 )	-	75,051	1		
8300 Total other comprehensive income for the year		<u>\$ 23,074</u>	<u>-</u>	<u>\$ 50,644</u>	<u>1</u>		
8500 Total comprehensive income for the year		<u>\$ 1,389,762</u>	<u>18</u>	<u>\$ 1,328,806</u>	<u>19</u>		
Profit attributable to:							
8610 Owners of the parent		\$ 1,164,040	15	\$ 1,045,026	15		
8620 Non-controlling interest		202,648	3	233,136	3		
Total		<u>\$ 1,366,688</u>	<u>18</u>	<u>\$ 1,278,162</u>	<u>18</u>		
Comprehensive income attributable to:							
8710 Owners of the parent		\$ 1,191,797	15	\$ 1,081,110	15		
8720 Non-controlling interest		197,965	3	247,696	4		
Total		<u>\$ 1,389,762</u>	<u>18</u>	<u>\$ 1,328,806</u>	<u>19</u>		
Earnings per share (in dollars):	6(32)						
9750 Basic earnings per share		\$ 16.36		\$ 14.91			
9850 Diluted earnings per share		\$ 16.28		\$ 14.85			

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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													
	Capital			Retained Earnings			Other Equity Interest						

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,623,148	\$ 1,518,093
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment loss determined in accordance with IFRS 9	12(2)	46	-
Depreciation	6(8)(29)	346,207	318,566
Depreciation - right-of-use assets	6(9)(29)	44,153	43,732
Amortization	6(29)	66,067	72,636
Interest expense	6(28)	25,708	25,058
Interest expense - lease liability	6(9)(28)	4,453	1,921
Dividend income	6(26)	( 2,348 )	( 3,030 )
Interest income	6(25)	( 15,230 )	( 9,208 )
Salary expense - employee stock options	6(20)(30)	4,947	12,161
Salary expense - employee restricted stock	6(20)(30)	5,774	3,538
Gain on valuation of financial assets		( 18,739 )	( 5,268 )
Loss on lease modification	6(27)	-	87
Share of profit of associates and joint ventures accounted for under equity method	6(7)	( 131,576 )	( 74,398 )
Gain on disposals of investments	6(27)	-	543
Gain on disposal of property, plant and equipment	6(27)	( 405 )	( 100 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		506,544	( 415,213 )
Current contract assets		( 223,949 )	( 21,544 )
Notes receivable, net		-	661
Accounts receivable, net		( 129,101 )	221,419
Accounts receivable - related parties, net		8,951	( 14,376 )
Other receivables		2,528	( 1,816 )
Other receivables - related parties		( 93 )	387
Inventories		( 2,831 )	( 17,775 )
Prepaid expense		37,273	( 34,651 )
Other non-current assets		346,699	314,877
Changes in operating liabilities			
Contract liabilities		( 168,565 )	( 98,618 )
Notes payable		( 3,017 )	( 2,834 )
Accounts payable		71,355	483,679
Accounts payable - related parties		43,441	( 21,557 )
Other payables		50,545	6,014
Other payables - related parties		479	282
Other current liabilities		( 32,441 )	3,650
Other non-current liabilities		( 16,457 )	11,684
Cash inflow generated from operations		2,443,566	2,317,514
Interest received		11,853	7,814
Dividends received		48,963	57,910
Interest paid		( 26,006 )	( 23,762 )
Income tax paid		( 295,066 )	( 316,393 )
Income tax refund receivable		56,769	-
Net cash flows from operating activities		2,240,079	2,043,083

(Continued)

**ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		\$ 53	\$ 2,261
Acquisition of non-current financial assets at fair value through other comprehensive income		( 40,102 )	( 50,000 )
(Increase) decrease in financial assets at amortised cost		( 150,163 )	283,575
Decrease in other receivables - related parties		-	264,000
Interest received		-	966
Increase in investments accounted for using equity method-non-subsidiaries	6(7)	-	( 180,000 )
Acquisition of property, plant and equipment	6(33)	( 292,653 )	( 420,658 )
Proceeds from disposal of property, plant and equipment		480	100
Decrease in refundable deposits		4,592	29,969
Acquisition of intangible assets	6(10)	( 560 )	-
Increase in other non-current assets	6(33)	( 80,765 )	( 787,246 )
Net cash flows used in investing activities		( 559,118 )	( 857,033 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in short-term loans		( 360,000 )	( 138,000 )
Increase (decrease) in short-term notes payable		19,983	( 39,969 )
Repayment of long-term loans		( 52,920 )	( 83,886 )
Repayment of lease liabilities		( 45,603 )	( 40,531 )
(Decrease) increase in other payables to related parties		( 260,000 )	260,000
Increase in deposits received (shown in other non-current liabilities)		83,374	90,478
Cash dividends paid		( 1,207,877 )	( 1,011,783 )
Employee stock options exercised		140,569	173,275
Increase in non-controlling interests		53,250	-
Net cash flows used in financing activities		( 1,629,224 )	( 790,416 )
Net increase in cash and cash equivalents		51,737	395,634
Cash and cash equivalents at beginning of year		1,611,740	1,216,106
Cash and cash equivalents at end of year		\$ 1,663,477	\$ 1,611,740

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ECOVE ENVIRONMENT CORPORATION

***Opinion***

We have audited the accompanying parent company only balance sheets of ECOVE Environment Corporation (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing 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 parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of 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 auditors, 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 Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

### ***Accuracy of service revenue recognition of subsidiaries accounted for using the equity method***

#### Description

Refer to Note 4(29) for accounting policies on operating revenue.

Operating revenue mainly arises from service revenue and electricity sales revenue of the Company's subsidiaries (ECOVE Wujih Energy Corp., ECOVE Environment Service Corp., ECOVE Waste Management Corp., ECOVE Miaoli Energy Corp., the second-tier subsidiary- SINOGAL-Waste Services Co., Ltd., and ECOVE Environment Services Gangshan Corp.). 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-undertook services. As the related revenue is the main operating income of each subsidiary and the investment income or loss is material to the financial statements, we considered the accuracy of service revenue of subsidiaries a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter of the Company's subsidiary and second-tier subsidiary:

- 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, recalculating 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 investees accounted for using equity method that are included in the parent company only financial statements. The balance of the investees accounted for using equity method was NT\$300,156 thousand and NT\$272,913 thousand, constituting 4% and 3% of parent company only total assets as of December 31, 2023 and 2022, respectively, and share of loss of associates and joint ventures accounted for using equity method of NT\$27,243 thousand and NT\$11,034 thousand, constituting 2% and 1% of parent company only total comprehensive income for the years then ended, respectively. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other independent auditors.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

### ***Auditors' responsibilities for the audit of the non-consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the non-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 non-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:

1. Identify and assess the risks of material misstatement of the non-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.
2. 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 non-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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

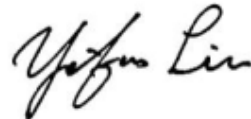
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.



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Liao, Fu-Ming



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Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 2024

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The accompanying parent company only 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 parent company only 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  
NON-CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 374,399	5	\$ 58,149	1
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		-	-	701,463	9
1120	Current financial assets at fair	6(3)				
	value through other					
	comprehensive income		20,392	-	20,041	-
1136	Current financial assets at	8				
	amortised cost		30,000	-	-	-
1200	Other receivables		76	-	14	-
1210	Other receivables - related parties	7	2,437,065	29	1,954,456	24
1410	Prepayments		8	-		
11XX	Total current assets		2,861,940	34	2,734,123	34
Non-current assets						
1517	Non-current financial assets at	6(3)				
	fair value through other					
	comprehensive income		-	-	68	-
1550	Investments accounted for using	6(4)				
	equity method		5,520,349	66	5,237,725	66
1755	Right-of-use assets	6(5)	564	-	639	-
1900	Other non-current assets		19	-	17	-
15XX	Total non-current assets		5,520,932	66	5,238,449	66
1XXX	Total assets		\$ 8,382,872	100	\$ 7,972,572	100

(Continued)

ECOVE ENVIRONMENT CORPORATION  
NON-CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2150	Notes payable		\$ 101	-	\$ 481	-
2200	Other payables		26,745	1	26,289	1
2220	Other payables - related parties	7	5,300	-	5,276	-
2230	Current income tax liabilities		11,832	-	6,461	
2280	Current lease liabilities	7	73	-	73	-
21XX	Total current liabilities		44,051	1	38,580	1
Non-current liabilities						
2530	Bonds payable	6(6)	1,993,916	24	1,991,381	25
2570	Deferred tax liabilities	6(17)	19,078	-	9,686	-
2580	Non-current lease liabilities	7	494	-	568	-
2640	Accrued pension liabilities	6(7)	2,658	-	5,962	-
25XX	Total non-current liabilities		2,016,146	24	2,007,597	25
2XXX	Total liabilities		2,060,197	25	2,046,177	26
Equity						
	Share capital	6(9)				
3110	Common stock		715,590	8	704,579	9
3140	Advance receipts for share capital		589	-	2,334	-
	Capital surplus	6(10)				
3200	Capital surplus		2,786,873	33	2,626,341	33
	Retained earnings	6(11)				
3310	Legal reserve		1,045,141	12	940,121	12
3320	Special reserve		-	-	14,895	-
3350	Unappropriated retained earnings		1,727,596	21	1,622,165	20
	Other equity interest					
3400	Other equity interest		46,943	1	16,017	-
3500	Treasury shares	6(9)	( 57)	-	( 57)	-
3XXX	Total equity		6,322,675	75	5,926,395	74
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 8,382,872	100	\$ 7,972,572	100

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

ECOVE ENVIRONMENT CORPORATION  
NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Year ended December 31			
Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(4)	\$ 1,156,146	100	\$ 1,044,850	100
5900 Gross profit		1,156,146	100	1,044,850	100
6200 Operating expenses	6(15)(16) and 7				
General and administrative expenses		( 50,053 )	( 4 )	( 47,927 )	( 4 )
6000 Total operating expenses		( 50,053 )	( 4 )	( 47,927 )	( 4 )
6900 Operating profit		1,106,093	96	996,923	96
Non-operating income and expenses					
7100 Interest income	6(12) and 7	28,227	2	20,128	2
7010 Other income	6(13) and 7	59,961	5	56,330	5
7020 Other gains and losses	6(14)	8,277	1	2,948	-
7050 Finance costs	6(5)(6) and 7	( 14,639 )	( 1 )	( 14,640 )	( 1 )
7000 Total non-operating income and expenses		81,826	7	64,766	6
7900 Profit before income tax		1,187,919	103	1,061,689	102
7950 Income tax expense	6(17)	( 23,879 )	( 2 )	( 16,663 )	( 2 )
8200 Profit for the year		\$ 1,164,040	101	\$ 1,045,026	100
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Actuarial gains (losses) on defined benefit plan	6(7)	\$ 2,468 )	- ( \$	653	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	336	- (	3,751 )	( 1 )
8330 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		26,549	2 (	20,007 )	( 2 )
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		29,353	2 (	24,411 )	( 3 )
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Cumulative translation differences of foreign operations		( 1,596 )	-	60,495	6
8300 Other comprehensive income for the year		\$ 27,757	2	\$ 36,084	3
8500 Total comprehensive income for the year		\$ 1,191,797	103	\$ 1,081,110	103
Earnings per share (in dollars)	6(18)				
9750 Basic earnings per share		\$ 16.36		\$ 14.91	
9850 Diluted earnings per share		\$ 16.28		\$ 14.85	

The accompanying notes are an integral part of these parent company only financial statements.

ECOVE Environment Corp.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Capital			Retained Earnings			Equity interest			
								Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
	Notes	Share capital - common stock	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury shares	Total equity	
<u>Year ended December 31, 2022</u>											
Balance at January 1, 2022		\$ 695,170	\$ 857	\$ 2,421,348	\$ 848,366	\$ 23,272	\$ 1,490,020	(\$ 60,840)	\$ 45,945	(\$ 57)	\$ 5,464,081
Profit for the year		-	-	-	-	-	1,045,026	-	-	-	1,045,026
Other comprehensive income (loss)		-	-	-	-	-	5,172	60,495	( 29,583 )	-	36,084
Total comprehensive income		-	-	-	-	-	1,050,198	60,495	( 29,583 )	-	1,081,110
Appropriations of 2021 earnings	6(11)										
Legal reserve		-	-	-	91,755	-	( 91,755 )	-	-	-	-
Special reserve		-	-	-	-	( 8,377 )	8,377	-	-	-	-
Cash dividends		-	-	-	-	-	( 834,675 )	-	-	-	( 834,675 )
Share-based payment transactions	6(10)	-	-	2,026	-	-	-	-	-	-	2,026
Employee stock options exercised	6(9)(10)	8,552	2,334	162,389	-	-	-	-	-	-	173,275
Employee restricted stocks	6(10)	-	-	774	-	-	-	-	-	-	774
Adjustments of changes in investments accounted for using equity method	6(4)(10)	-	-	39,804	-	-	-	-	-	-	39,804
Advance receipts for share capital transferred to share		857	( 857 )	-	-	-	-	-	-	-	-
Balance at December 31, 2022		\$ 704,579	\$ 2,334	\$ 2,626,341	\$ 940,121	\$ 14,895	\$ 1,622,165	(\$ 345)	\$ 16,362	(\$ 57)	\$ 5,926,395
<u>Year ended December 31, 2023</u>											
Balance at January 1, 2023		\$ 704,579	\$ 2,334	\$ 2,626,341	\$ 940,121	\$ 14,895	\$ 1,622,165	(\$ 345)	\$ 16,362	(\$ 57)	\$ 5,926,395
Profit for the year		-	-	-	-	-	1,164,040	-	-	-	1,164,040
Other comprehensive income (loss)		-	-	-	-	-	( 3,141 )	( 1,596 )	32,494	-	27,757
Total comprehensive income		-	-	-	-	-	1,160,899	( 1,596 )	32,494	-	1,191,797
Appropriations of 2022 earnings	6(11)										
Legal reserve		-	-	-	105,020	-	( 105,020 )	-	-	-	-
Special reserve		-	-	-	-	( 14,895 )	14,895	-	-	-	-
Cash dividends		-	-	-	-	-	( 960,073 )	-	-	-	( 960,073 )
Share-based payment transactions	6(10)	-	-	829	-	-	-	-	-	-	829
Employee stock options exercised	6(9)(10)	8,104	589	131,876	-	-	-	-	-	-	140,569
Employee restricted stocks	6(10)	-	-	1,736	-	-	-	-	-	-	1,736
Adjustments of changes in investments accounted for using equity method	6(4)(10)	-	-	8,978	-	-	-	-	-	-	8,978
Advance receipts for share capital transferred to share capital		2,334	( 2,334 )	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	-	( 28 )	-	28	-	-
Issue of ordinary share, others	6(9)(10)	573	-	17,113	-	-	( 5,242 )	-	-	-	12,444
Balance at December 31, 2023		\$ 715,590	\$ 589	\$ 2,786,873	\$ 1,045,141	\$ -	\$ 1,727,596	(\$ 1,941)	\$ 48,884	(\$ 57)	\$ 6,322,675

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



ECOVE ENVIRONMENT CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,187,919	\$ 1,061,689
Adjustments			
Adjustments to reconcile profit (loss)			
Salary expense - employee stock options	6(8)(16)	829	2,026
Employee restricted stocks	6(8)(16)	1,736	774
Depreciation - right-of-use assets	6(5)	75	74
Interest income	6(12)	( 28,227 )	( 20,128 )
Dividend income	6(13)	( 292 )	( 531 )
Gain on valuation of financial assets	6(2)(14)	( 7,972 )	( 2,167 )
Share of profit of associates and joint ventures accounted for under equity method	6(4)	( 1,156,146 )	( 1,044,850 )
Proceeds from capital reduction of investee company	6(14)	-	543
Interest expense	6(6)	14,635	14,636
Interest expense - lease liability	6(5) and 7	4	4
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		709,435	( 39,779 )
Other receivables		( 9 )	286
Other receivables - related parties		( 3,763 )	( 4,651 )
Prepayments		( 8 )	-
Investments accounted for using the equity method - subsidiaries	6(4)	( 100,013 )	( 199,999 )
Changes in operating liabilities			
Notes payable		( 380 )	481
Other payables		456	( 2,074 )
Other payables - related parties		24	( 48 )
Preference share liabilities - non-current		( 836 )	645
Cash inflow (outflow) generated from operations		617,467	( 234,155 )
Interest received		1,465	2,061
Dividends received		1,020,202	813,706
Interest paid		( 12,100 )	( 12,100 )
Income tax paid		( 9,116 )	( 13,957 )
Net cash flows from operating activities		1,617,918	555,555
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		25,863	17,437
Increase in other receivables - related parties		( 478,000 )	( 82,000 )
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		53	2,261
(Increase) decrease in financial assets at amortised cost		( 30,000 )	152,000
Increase in refundable deposits		( 2 )	-
Net cash flows (used in) from investing activities		( 482,086 )	89,698
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		( 78 )	( 69 )
Employee stock options exercised		140,569	173,275
Cash dividends paid	6(11)	( 960,073 )	( 834,675 )
Net cash flows used in financing activities		( 819,582 )	( 661,469 )
Net increase (decrease) in cash and cash equivalents		316,250	( 16,216 )
Cash and cash equivalents at beginning of year		58,149	74,365
Cash and cash equivalents at end of year		\$ 374,399	\$ 58,149

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

ECOVE Environment Corporation  
Profit Distribution Table  
Year 2023

Unit : NT\$	
Item	Total
Unappropriated retained earnings of previous years	571,967,614
Less : Remeasurement arising on defined benefit plans are recognised	-3,142,318
Less : Disposal of investments in equity instruments designated at fair value through other comprehensive income	-28,356
Less : Change in non-controlling interests due to issuance of new shares Increase in non-controlling interests	-5,241,378
Add : Net income of 2023	1,164,040,399
Less : 10% legal reserve	-115,562,835
Retained earnings available for distribution as of December 31,2023	1,612,033,126
Cash dividends (Based on 71,654,206 outstanding shares at January 31, 2024, about NT\$14.59 per share)	-1,045,306,890
Unappropriated retained earnings	566,726,236

Notes :

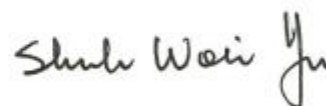
1. Distribution will be made primarily by 2023 retained earnings; the insufficient amount will be reimbursed by undistributed retained earnings before 2022.
2. For the proposed distribution date, shares for distribution are based on outstanding shares by the end of January 31, 2024; the actual shares for distribution will be based on the actual outstanding shares on the record date.

## Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements (both consolidated and individual), and proposal for allocation of profits. The CPA firm of PriceWaterhouseCoopers was retained to audit ECOVE Environment Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ECOVE Environment Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

ECOVE Environment Corporation.

Chairman of the Audit Committee: Shuh-Woei Yu



Dated March 6<sup>th</sup>, 2024

**ECOVE Environment Corporation**  
**The Directors' and Employees' Remuneration of 2023**

- (1) It is processed in accordance with the Article 29 of "Articles of Incorporation" of the Company.
- (2) The 2023 pre-tax profit before remuneration distribution amounts to NT \$1,193,405,994. The Board of Directors of the Company resolved that NT\$5,200,000 (contribution rate :0.44%) of the directors' remuneration and NT\$286,769 (contribution rate:0.02%) of the employees' remuneration will be distributed by cash. There is no difference between the amount of employees' compensation and directors' remuneration recognized in the 2023 financial statements.

**ECOVE Environment Corporation**  
**The Balance of the Company's Guarantees and Endorsements**  
**December 31, 2023**

unit : NT\$ Thousand

Item	Guarantees and Endorsements	
	as of 2023/12/31	as of 2022/12/31
ECOVE Solar Energy Corporation	2,670,000	2,170,000
ECOVE Solar Power Corporation	1,210,000	1,120,000
EVER ECOVE Corporation	192,500	203,000
ECOVE Solvent Recycling Corporation	160,000	150,000
ECOVE South Corporation Ltd.	100,000	200,000
	900,000	900,000
Total	5,232,500	4,743,000
<p>Note: 2023.12.31 Net worth : 6,322.68 millions</p> <p>1. The ceiling on the total amount of endorsements or guarantees made by the Company is TWD 18,968.03 millions.</p> <p>2. The ceiling on the total amount of endorsements or guarantees for any single entity is TWD12,645.35 millions.</p>		

**ECOVE Environment Corporation**  
**Distribution of cash dividends report of 2023**

- (1) It is processed in accordance with the Article 30 of “Articles of Incorporation” of the Company.
- (2) The Board of Directors of the Company resolved the distribution of 2023 shareholders’ dividends in the amount of TWD 1,045,306,890 by cash (TWD 14.59 per share based on common shares outstanding 71,654,206 shares at the end of January, 2024). The distribution of cash dividends will be calculated to new Taiwan dollar and round it to the nearest dollar. The difference will be booked as the other income or expense of the Company.
- (3) The Chairman of the Company is authorized to determine the record date to distribute the cash dividends. In case that the total common shares outstanding may change and the ultimate cash to be distributed to each common share may need to be adjusted, the Chairman of the Company is authorized to do adjustments.

**ECOVE Environment Corporation**  
**Table of Amendments to “Articles of Incorporation”**

Article	Existing Provisions	Amendments
Article 2	<p>Scope of the Company’s business activities include the following:</p> <p>1.~27.(Omitted)</p> <p><u>(Add)</u></p> <p><u>28.~131.</u>(Omitted)</p> <p><u>(Add)</u></p> <p><u>132.</u>(Omitted)</p>	<p>Scope of the Company’s business activities include the following:</p> <p>1.~27.(Omitted)</p> <p><u>28.D101011 Electric Power Generation</u></p> <p><u>29.~132.</u>(Omitted)</p> <p><u>133.JE01010 Rental and Leasing</u></p> <p><u>134.</u>(Omitted)</p>
Article 34	<p>These Articles of Incorporation were enacted on December 8, 1999.</p> <p>(Omitted)</p> <p>The twelfth amendment on May 31, 2023.</p>	<p>These Articles of Incorporation were enacted on December 8, 1999.</p> <p>(Omitted)</p> <p>The twelfth amendment on May 31, 2023.</p> <p><u>The thirteenth amendment on May 27, 2024.</u></p>

**ECOVE Environment Corporation**  
**Table of Amendments to “The Procedure for Marking of**  
**Endorsements or Guarantees”**

Article	Existing Provisions	Amendments
2.3 Credit Line for the Endorsements or Guarantees	<p>The total amount of endorsements or guarantees made by the Company shall not exceed <u>3</u> times of the then-current net worth of the Company. In particular, the total amount of endorsements or guarantees made for a single enterprise shall not exceed <u>2</u> times of the then-current net worth of the Company.</p> <p>The total amount of endorsements or guarantees made by the Company and its subsidiaries shall not exceed <u>3</u> times of the then-current net worth of the Company. In particular, the total amount of endorsements or guarantees made for a single enterprise shall not exceed <u>2</u> times of the then-current net worth of the Company.</p> <p>If the aggregate amount of endorsements or guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders’ meeting.</p>	<p>The total amount of endorsements or guarantees made by the Company shall not exceed <u>10</u> times of the then-current net worth of the Company. In particular, the total amount of endorsements or guarantees made for a single enterprise shall not exceed <u>6</u> times of the then-current net worth of the Company.</p> <p>The total amount of endorsements or guarantees made by the Company and its subsidiaries shall not exceed <u>10</u> times of the then-current net worth of the Company. In particular, the total amount of endorsements or guarantees made for a single enterprise shall not exceed <u>6</u> times of the then-current net worth of the Company.</p> <p>If the aggregate amount of endorsements or guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders’ meeting.</p>
7.1 Application, Review Policies and Level of Authority	<p>7.1.1~7.1.2 (Omitted)</p> <p>7.1.3 Policies and Level of Authority</p> <p>The person in charge of endorsement or guarantee at the financial department of the Company shall review and evaluate the purpose of the endorsements or guarantees in compliance with Article 2 paragraph 3 and draft a report (as attachment 1) record related details of the endorsement or guarantee, reason of endorsement or guarantee, credit status and risk assessment of the entity for the</p>	<p>7.1.1~7.1.2 (Omitted)</p> <p>7.1.3 Policies and Level of Authority</p> <p>The person in charge of endorsement or guarantee at the financial department of the Company shall review and evaluate the purpose of the endorsements or guarantees in compliance with Article 2 paragraph 3 and draft a report (as attachment 1) record related details of the endorsement or guarantee, reason of endorsement or guarantee, credit status and risk assessment of the entity for the</p>



Article	Existing Provisions	Amendments
	<p>approval of the higher authority. Except for other endorsement or guarantee that needs to be adopted by the board of directors before it is made, all endorsements or guarantees within the credit limit established in Article 2 paragraph 3 of the Rules may be made by the chairman and subsequently reported to and ratified by the board of directors. The process of making such endorsements or guarantees and related matters shall further be reported to the shareholders' meeting.</p> <p>Before making an endorsement or guarantee pursuant to Article 2 paragraph 1.1(B), by a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares, shall submit the proposed endorsement or guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements or guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>If the Company has independent director or directors, when the endorsement or guarantee is submitted to the board of directors for discussion pursuant to the preceding paragraph, each independent director's opinions shall be taken into consideration. Any comments regarding the independent director's agreement or objections and the reasons for objections shall be included in the board of directors' meeting minutes.</p> <p>7.1.4 (Omitted)</p>	<p>approval of the higher authority. Except for other endorsement or guarantee that needs to be adopted by the board of directors before it is made, all endorsements or guarantees within the credit limit established in Article 2 paragraph 3 of the Rules may be made by the chairman and subsequently reported to and ratified by the <u>most coming</u> board of directors. The process of making such endorsements or guarantees and related matters shall further be reported to the shareholders' meeting.</p> <p>Before making an endorsement or guarantee pursuant to Article 2 paragraph 1.1(B), by a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares, shall submit the proposed endorsement or guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements or guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>If the Company has independent director or directors, when the endorsement or guarantee is submitted to the board of directors for discussion pursuant to the preceding paragraph, each independent director's opinions shall be taken into consideration. Any comments regarding the independent director's agreement or objections and the reasons for objections shall be included in the board of directors' meeting minutes.</p> <p>7.1.4 (Omitted)</p>