

**Evergreen Steel Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Evergreen Steel Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ching-Hsia Chang and Yung-Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 12, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

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

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,097,341	5	\$ 3,020,667	9	\$ 2,377,545	7
Financial assets at amortized cost - current (Notes 8 and 32)	2,532,928	7	3,291,045	9	2,871,359	9
Contract assets - current (Notes 23, 25 and 31)	3,292,678	9	2,729,598	8	3,077,147	9
Notes receivable, net (Note 23)	157,371	-	41,617	-	28,390	-
Trade receivables, net (Notes 9 and 23)	1,387,923	4	823,456	2	1,660,167	5
Trade receivables from related parties, net (Notes 9, 23 and 31)	22,917	-	31,772	-	27,825	-
Other receivables	77,829	-	39,942	-	30,398	-
Current tax assets (Note 4)	21,190	-	22,830	-	22,830	-
Inventories (Notes 10 and 23)	4,515,369	12	3,929,699	11	2,976,516	9
Other current assets (Note 17)	74,934	-	95,113	-	117,520	-
Total current assets	14,180,480	37	14,025,739	39	13,189,697	39
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	13,431,218	35	11,090,592	31	10,200,467	30
Financial assets at amortized cost - non-current (Notes 8 and 32)	40,001	-	400,036	1	436,228	1
Investments accounted for using equity method (Note 12)	160,733	-	167,910	1	150,832	-
Property, plant and equipment (Notes 13, 31 and 32)	4,450,748	12	3,923,775	11	3,778,594	11
Right-of-use assets (Notes 14 and 31)	134,095	-	30,304	-	32,561	-
Investment properties (Notes 15 and 32)	97,302	-	98,804	-	99,304	-
Intangible assets (Note 16)	5,349,276	14	5,559,032	16	5,626,592	17
Deferred tax assets (Note 4)	83,535	-	113,666	-	121,097	-
Refundable deposits	18,323	-	12,313	-	14,185	-
Net defined benefit assets - non-current (Notes 4 and 22)	64,449	-	66,220	-	67,606	-
Other non-current assets (Note 17)	610,209	2	453,116	1	472,833	2
Total non-current assets	24,439,889	63	21,915,768	61	21,000,299	61
TOTAL	\$ 38,620,369	100	\$ 35,941,507	100	\$ 34,189,996	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Notes 23 and 25)	\$ 2,242,341	6	\$ 1,833,977	5	\$ 1,092,661	3
Notes payable, net (Notes 23 and 31)	366,752	1	259,254	1	357,801	1
Trade payables, net (Notes 19, 23 and 31)	1,974,874	5	1,211,378	4	1,341,204	4
Other payables (Notes 20 and 31)	907,952	3	1,047,803	3	1,326,657	4
Current tax liabilities (Note 4)	197,853	1	424,347	1	326,297	1
Provisions - current (Note 21)	98,688	-	84,396	-	80,375	-
Lease liabilities - current (Note 14)	31,153	-	16,980	-	17,218	-
Current portion of long-term borrowings (Note 18)	111,200	-	-	-	84,900	1
Other current liabilities	24,261	-	36,659	-	24,680	-
Total current liabilities	5,955,074	16	4,914,794	14	4,651,793	14
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	2,668,800	7	2,830,000	8	2,731,757	8
Provisions - non-current (Note 21)	114,883	1	113,685	1	113,288	1
Deferred tax liabilities (Note 4)	83,447	-	83,801	-	84,078	-
Lease liabilities - non-current (Note 14)	100,505	-	9,462	-	11,575	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	7,995	-	8,006	-	7,148	-
Guarantee deposits received	76,981	-	81,213	-	76,193	-
Other non-current liabilities (Note 20)	76,773	-	79,513	-	85,472	-
Total non-current liabilities	3,129,384	8	3,205,680	9	3,109,511	9
Total liabilities	9,084,458	24	8,120,474	23	7,761,304	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital						
Ordinary shares	4,170,915	11	4,170,915	11	4,170,915	12
Capital surplus	1,319,721	3	1,319,674	4	1,319,674	4
Retained earnings						
Legal reserve	3,092,621	8	2,708,324	7	2,708,324	8
Unappropriated earnings	8,606,276	22	9,597,333	27	9,198,089	27
Total retained earnings	11,698,897	30	12,305,657	34	11,906,413	35
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(666)	-	(666)	-	(362)	-
Unrealized gain on financial assets at fair value through other comprehensive income	8,887,391	23	6,514,461	18	5,649,363	16
Total other equity	8,886,725	23	6,513,795	18	5,649,001	16
Total equity attributable to owners of the Company	26,076,258	67	24,310,041	67	23,046,003	67
NON-CONTROLLING INTERESTS	3,459,653	9	3,510,992	10	3,382,689	10
Total equity	29,535,911	76	27,821,033	77	26,428,692	77
TOTAL	\$ 38,620,369	100	\$ 35,941,507	100	\$ 34,189,996	100

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

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 31)	\$ 3,278,484	100	\$ 3,091,036	100	\$ 9,471,674	100	\$ 9,119,705	100
OPERATING COSTS (Notes 10, 26 and 31)	<u>(2,512,943)</u>	<u>(76)</u>	<u>(1,965,069)</u>	<u>(64)</u>	<u>(6,856,701)</u>	<u>(72)</u>	<u>(6,018,402)</u>	<u>(66)</u>
GROSS PROFIT	<u>765,541</u>	<u>24</u>	<u>1,125,967</u>	<u>36</u>	<u>2,614,973</u>	<u>28</u>	<u>3,101,303</u>	<u>34</u>
OPERATING EXPENSES (Notes 26 and 31)								
Selling and marketing expenses	(84,375)	(3)	(67,142)	(2)	(240,361)	(3)	(201,482)	(2)
General and administrative expenses	(69,180)	(2)	(65,953)	(2)	(215,966)	(2)	(200,001)	(2)
Expected credit (loss) gain (Notes 9 and 25)	<u>(876)</u>	<u>-</u>	<u>6,624</u>	<u>-</u>	<u>19,372</u>	<u>-</u>	<u>29,956</u>	<u>-</u>
Total operating expenses	<u>(154,431)</u>	<u>(5)</u>	<u>(126,471)</u>	<u>(4)</u>	<u>(436,955)</u>	<u>(5)</u>	<u>(371,527)</u>	<u>(4)</u>
PROFIT FROM OPERATIONS	<u>611,110</u>	<u>19</u>	<u>999,496</u>	<u>32</u>	<u>2,178,018</u>	<u>23</u>	<u>2,729,776</u>	<u>30</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	17,418	1	19,285	1	62,818	1	52,548	1
Other income (Notes 26 and 31)	405,282	12	174,033	6	598,126	6	1,485,819	16
Other gains (losses) (Note 26)	(329)	-	784	-	(5,369)	-	(16,837)	-
Finance costs (Note 26)	(15,562)	-	(18,251)	(1)	(45,080)	(1)	(22,118)	-
Share of profit of associates and joint ventures accounted for using equity method (Note 12)	<u>10,076</u>	<u>-</u>	<u>5,818</u>	<u>-</u>	<u>22,823</u>	<u>-</u>	<u>14,888</u>	<u>-</u>
Total non-operating income and expenses	<u>416,885</u>	<u>13</u>	<u>181,669</u>	<u>6</u>	<u>633,318</u>	<u>6</u>	<u>1,514,300</u>	<u>17</u>
PROFIT BEFORE INCOME TAX	1,027,995	32	1,181,165	38	2,811,336	29	4,244,076	47
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(122,800)</u>	<u>(4)</u>	<u>(91,169)</u>	<u>(3)</u>	<u>(482,345)</u>	<u>(5)</u>	<u>(436,591)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>905,195</u>	<u>28</u>	<u>1,089,996</u>	<u>35</u>	<u>2,328,991</u>	<u>24</u>	<u>3,807,485</u>	<u>42</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	<u>(26,834)</u>	<u>(1)</u>	<u>(1,902,563)</u>	<u>(61)</u>	<u>2,437,852</u>	<u>26</u>	<u>214,537</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 878,361</u>	<u>27</u>	<u>\$ (812,567)</u>	<u>(26)</u>	<u>\$ 4,766,843</u>	<u>50</u>	<u>\$ 4,022,022</u>	<u>44</u>

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 812,667	25	\$ 916,030	30	\$ 2,091,743	22	\$ 3,267,840	36
Non-controlling interests	<u>92,528</u>	<u>3</u>	<u>173,966</u>	<u>5</u>	<u>237,248</u>	<u>2</u>	<u>539,645</u>	<u>6</u>
	<u>\$ 905,195</u>	<u>28</u>	<u>\$ 1,089,996</u>	<u>35</u>	<u>\$ 2,328,991</u>	<u>24</u>	<u>\$ 3,807,485</u>	<u>42</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 778,554	24	\$ (1,007,010)	(32)	\$ 4,477,265	47	\$ 3,525,152	39
Non-controlling interests	<u>99,807</u>	<u>3</u>	<u>194,443</u>	<u>6</u>	<u>289,578</u>	<u>3</u>	<u>496,870</u>	<u>5</u>
	<u>\$ 878,361</u>	<u>27</u>	<u>\$ (812,567)</u>	<u>(26)</u>	<u>\$ 4,766,843</u>	<u>50</u>	<u>\$ 4,022,022</u>	<u>44</u>
EARNINGS PER SHARE (Note 28)								
Basic	<u>\$ 1.95</u>		<u>\$ 2.20</u>		<u>\$ 5.02</u>		<u>\$ 7.83</u>	
Diluted	<u>\$ 1.95</u>		<u>\$ 2.19</u>		<u>\$ 5.01</u>		<u>\$ 7.83</u>	

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

(Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
						Other Equity		Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Share Capital	Retained Earnings								
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	417,091	\$ 4,170,915	\$ 1,319,454	\$ 2,441,847	\$ 8,106,299	\$ (362)	\$ 5,567,935	\$ 21,606,088	\$ 3,146,836	\$ 24,752,924
Appropriation and distribution of 2022 retain earnings										
Legal reserve	-	-	-	266,477	(266,477)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,085,457)	-	-	(2,085,457)	-	(2,085,457)
Dividends from claims extinguished by prescription	-	-	220	-	-	-	-	220	-	220
Net profit for the nine months ended September 30, 2023	-	-	-	-	3,267,840	-	-	3,267,840	539,645	3,807,485
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	257,312	257,312	(42,775)	214,537
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	3,267,840	-	257,312	3,525,152	496,870	4,022,022
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(261,017)	(261,017)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	175,884	-	(175,884)	-	-	-
BALANCE AT SEPTEMBER 30, 2023	417,091	\$ 4,170,915	\$ 1,319,674	\$ 2,708,324	\$ 9,198,089	\$ (362)	\$ 5,649,363	\$ 23,046,003	\$ 3,382,689	\$ 26,428,692
BALANCE AT JANUARY 1, 2024	417,091	\$ 4,170,915	\$ 1,319,674	\$ 2,708,324	\$ 9,597,333	\$ (666)	\$ 6,514,461	\$ 24,310,041	\$ 3,510,992	\$ 27,821,033
Appropriation and distribution of 2023 retain earnings										
Legal reserve	-	-	-	384,297	(384,297)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,711,095)	-	-	(2,711,095)	-	(2,711,095)
Dividends from claims extinguished by prescription	-	-	47	-	-	-	-	47	-	47
Net profit for the nine months ended September 30, 2024	-	-	-	-	2,091,743	-	-	2,091,743	237,248	2,328,991
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	2,385,522	2,385,522	52,330	2,437,852
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	2,091,743	-	2,385,522	4,477,265	289,578	4,766,843
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(340,917)	(340,917)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	12,592	-	(12,592)	-	-	-
BALANCE AT SEPTEMBER 30, 2024	417,091	\$ 4,170,915	\$ 1,319,721	\$ 3,092,621	\$ 8,606,276	\$ (666)	\$ 8,887,391	\$ 26,076,258	\$ 3,459,653	\$ 29,535,911

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

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,811,336	\$ 4,244,076
Adjustments for:		
Depreciation expense	193,970	175,275
Amortization expense	211,589	92,928
Expected credit reversed gain recognized on trade receivables	(19,372)	(29,956)
Finance costs	45,080	22,118
Interest income	(62,818)	(52,548)
Dividend income	(585,128)	(1,469,709)
Share of profit of associates and joint ventures accounted for using equity method	(22,823)	(14,888)
Gain on disposal of property, plant and equipment	(3,793)	(933)
Net loss on disposal of inventories	-	1,519
Gain on lease modification	(40)	(4)
Other loss	-	13,800
Changes in operating assets and liabilities		
Contract assets	(543,500)	86,632
Notes receivable	(115,754)	69,734
Trade receivables	(555,820)	(554,414)
Other receivables	(35,918)	1,161
Inventories	(585,670)	118,527
Other current assets	20,179	(78,000)
Net defined benefit assets	1,771	(5,162)
Contract liabilities	408,364	42,539
Notes payable	107,498	89,721
Trade payables	763,496	145,669
Other payables	129,683	94,439
Provisions	14,292	(5,162)
Other non-current assets	(1,392)	-
Other current liabilities	(12,398)	(10,022)
Net defined benefit liabilities	(11)	(96)
Other non-current liabilities	(2,740)	59,464
Cash generated from operations	2,160,081	3,036,708
Interest received	60,849	50,610
Interest paid	(43,683)	(53,076)
Income tax paid	(677,422)	(370,960)
Net cash generated from operating activities	1,499,825	2,663,282

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EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 97,226	\$ 298,343
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,165
Proceeds from sale of financial assets at amortized cost	1,118,152	70,221
Payments for property, plant and equipment	(767,320)	(535,760)
Proceeds from disposal of property, plant and equipment	6,440	1,747
Increase in refundable deposits	(6,010)	-
Decrease in refundable deposits	-	304
Payments for intangible assets	(357,947)	(290,098)
Increase in other non-current assets	-	(85,701)
Other dividends received	585,128	1,469,709
Dividends received from associates	<u>30,000</u>	<u>40,000</u>
Net cash generated from investing activities	<u>705,669</u>	<u>971,930</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(50,000)	(500,000)
Increase in guarantee deposits	-	51,800
Decrease in guarantee deposits	(4,232)	-
Repayment of principal portion of lease liabilities	(22,583)	(19,287)
Repayments of cash dividend	(2,711,095)	(2,085,457)
Dividends paid to non-controlling interests	(340,957)	(260,977)
Dividends from claims extinguished by prescription	<u>47</u>	<u>220</u>
Net cash used in financing activities	<u>(3,128,820)</u>	<u>(2,813,701)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(923,326)	821,511
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,020,667</u>	<u>1,556,034</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,097,341</u>	<u>\$ 2,377,545</u>

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

(Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Evergreen Steel Corporation (the “Company”) was incorporated in January 1973 as a company limited by shares under the Company Law of the Republic of China. The Company is mainly engaged in the steel structure engineering business and the environmental protection business. The Company’s steel structure engineering business mainly includes engineering projects for factories, tall buildings and bridges. The Company’s reinvestment in environmental protection businesses includes general and business waste treatment and cogeneration. Since April 12, 2021, the Company’s shares have been listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 12, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and the entities controlled by the parent company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent company.

See Note 11 and Table 5 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income taxes expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty are the same as those in the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 3,207	\$ 3,296	\$ 3,342
Checking accounts and demand deposits	496,264	340,446	281,867
Cash equivalents			
Time deposits	1,306,163	1,848,521	1,144,252
Commercial paper	<u>291,707</u>	<u>828,404</u>	<u>948,084</u>
	<u>\$ 2,097,341</u>	<u>\$ 3,020,667</u>	<u>\$ 2,377,545</u>

7. FINANCIAL ASSETS AT FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 11,491,184	\$ 9,345,408	\$ 8,502,794
Unlisted shares	1,751,694	1,570,068	1,517,882
Foreign investments			
Unlisted shares	<u>188,340</u>	<u>175,116</u>	<u>179,791</u>
	<u>\$ 13,431,218</u>	<u>\$ 11,090,592</u>	<u>\$ 10,200,467</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium-to long-term strategic purposes.

The Group sold its investments for the nine months ended September 30, 2024 and 2023, and transferred a gain of \$12,592 thousand and \$175,884 thousand, respectively, from other equity to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Domestic investments			
Pledge deposits	\$ 350,000	\$ -	\$ 1,000
Restricted bank deposits	14,039	13,443	16,519
Time deposits with original maturities of more than 3 months	<u>2,168,889</u>	<u>3,277,602</u>	<u>2,853,840</u>
	<u>\$ 2,532,928</u>	<u>\$ 3,291,045</u>	<u>\$ 2,871,359</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Pledge deposits	\$ 40,001	\$ 400,036	\$ 398,626
Time deposits with original maturities of more than 1 year	<u>-</u>	<u>-</u>	<u>37,602</u>
	<u>\$ 40,001</u>	<u>\$ 400,036</u>	<u>\$ 436,228</u>
			(Concluded)

Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables (including trade receivables from related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 1,411,096	\$ 855,276	\$ 1,688,052
Less: Allowance for impairment loss	<u>(256)</u>	<u>(48)</u>	<u>(60)</u>
	<u>\$ 1,410,840</u>	<u>\$ 855,228</u>	<u>\$ 1,687,992</u>

The average credit period on sales of goods is 0 to 120 days. In determining the recoverability of a trade receivable, the Group considers the changes in the credit quality of the trade receivable since the date of credit was initially granted to the end of the reporting period. The allowance for bad debts refers to the past arrears records of the counterparty and the analysis of its current financial status to estimate the amount that cannot be recovered.

Except for individual customers who provide provision for losses when there is an obvious sign of impairment, the Group applies the simplified approach for the allowance of expected credit loss prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial positions.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. The Group directly recognizes the impairment loss of related accounts receivable. The Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the Group's aging of trade receivables.

September 30, 2024

	Amount Without Sign of Default				Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	-	-	-	100.00%	-	
Gross carrying amount	\$ 1,309,042	\$ 101,789	\$ 9	\$ 256	\$ -	\$ 1,411,096
Loss allowance (Lifetime ECL)	-	-	-	(256)	-	(256)
Amortized cost	<u>\$ 1,309,042</u>	<u>\$ 101,789</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,410,840</u>

December 31, 2023

	Amount Without Sign of Default				Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	-	0.04%	-	-	-	
Gross carrying amount	\$ 727,691	\$ 127,585	\$ -	\$ -	\$ -	\$ 855,276
Loss allowance (Lifetime ECL)	(3)	(45)	-	-	-	(48)
Amortized cost	<u>\$ 727,688</u>	<u>\$ 127,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 855,228</u>

September 30, 2023

	Amount Without Sign of Default				Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	-	0.04%	-	-	-	
Gross carrying amount	\$ 1,539,972	\$ 148,080	\$ -	\$ -	\$ -	\$ 1,688,052
Loss allowance (Lifetime ECL)	(7)	(53)	-	-	-	(60)
Amortized cost	<u>\$ 1,539,965</u>	<u>\$ 148,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687,992</u>

The above is an aging analysis based on the account opening date.

The movements of the loss allowance of trade receivables were as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 48	\$ 768
Add: Net remeasurement of loss allowance (reversed)	<u>208</u>	<u>(708)</u>
Balance at September 30	<u>\$ 256</u>	<u>\$ 60</u>

10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Raw material	\$ 4,458,458	\$ 3,897,117	\$ 2,932,638
Supplies	26,565	32,582	29,266
Inventory in transit	<u>30,346</u>	<u>-</u>	<u>14,612</u>
	<u>\$ 4,515,369</u>	<u>\$ 3,929,699</u>	<u>\$ 2,976,516</u>

The costs of inventories recognized as operating cost for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were \$2,014,110 thousand, \$1,576,058 thousand, \$5,459,044 thousand and \$4,982,896 thousand, respectively. The operating costs, which included the inventory write-downs for the three months ended September 30, 2023 and for the nine months ended September 30, 2023, were \$965 thousand and \$1,519 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The entities included in the consolidated statements are listed below.

Investor	Investee	Main Business	Proportion of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The parent company	Hsin Yung Enterprise Corporation	Waste treatment, disposal and cogeneration	68.46%	68.46%	68.46%	-
The parent company	Super Max Engineering Enterprise Co., Ltd.	Waste collection, treatment and disposal	48.13%	48.13%	48.13%	*
The parent company	Ever Ecove Corporation	Waste treatment, disposal and cogeneration	50.06%	50.06%	50.06%	-
The parent company	Ming Yu Investment Corporation	General investment activities	100.00%	100.00%	100.00%	-

* The Company holds a 48.13% interest in Super Max Engineering Enterprise Co., Ltd. The Company occupies more than half of the board's seats and has the practical ability to direct the relevant activities of Super Max Engineering Enterprise Co., Ltd. Therefore, the Company deems it a subsidiary.

b. Subsidiaries excluded from the consolidated financial statements: None.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material			
Kun Lin Engineering Co., Ltd.	<u>\$ 160,733</u>	<u>\$ 167,910</u>	<u>\$ 150,832</u>

Name of Associate	Proportion of Ownership and Voting Rights		
	September 30, 2024	December 31, 2023	September 30, 2023
Kun Lin Engineering Co., Ltd.	50%	50%	50%

Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net income for the period	<u>\$ 10,076</u>	<u>\$ 5,818</u>	<u>\$ 22,823</u>	<u>\$ 14,888</u>

The Group holds 50% of the issued share capital of Kun Lin Engineering Co., Ltd. and controls 50% of the voting power in general meetings. According to the agreement made by the shareholders, the other shareholders control the composition of the board of directors of Kun Lin Engineering Co., Ltd. and, therefore, the Group does not have control over them. The directors of the Company, however, consider that the Group does exercise significant influence over Kun Lin Engineering Co., Ltd.; therefore, the Group accounts them as associates.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment to Be Inspected	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 1,797,045	\$ 164,600	\$ 2,568,476	\$ 5,197,701	\$ 141,049	\$ 251,035	\$ 620,866	\$ 10,740,772
Additions	-	466	11,211	253,862	13,429	10,843	161,377	451,188
Disposals	-	-	(285)	(1,135,324)	(17,610)	(5,174)	-	(1,158,393)
Reclassification	-	2,213	1,036	370,684	-	(126,045)	(1,036)	246,852
Balance at September 30, 2024	<u>\$ 1,797,045</u>	<u>\$ 167,279</u>	<u>\$ 2,580,438</u>	<u>\$ 4,686,923</u>	<u>\$ 136,868</u>	<u>\$ 130,659</u>	<u>\$ 781,207</u>	<u>\$ 10,280,419</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 144,404	\$ 1,975,470	\$ 4,519,890	\$ 100,287	\$ 76,946	\$ -	\$ 6,816,997
Disposals	-	-	(285)	(1,135,324)	(14,963)	(5,174)	-	(1,155,746)
Depreciation expense	-	2,757	45,396	99,438	9,878	10,951	-	168,420
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 147,161</u>	<u>\$ 2,020,581</u>	<u>\$ 3,484,004</u>	<u>\$ 95,202</u>	<u>\$ 82,723</u>	<u>\$ -</u>	<u>\$ 5,829,671</u>
Carrying amount at September 30, 2024	<u>\$ 1,797,045</u>	<u>\$ 20,118</u>	<u>\$ 559,857</u>	<u>\$ 1,202,919</u>	<u>\$ 41,666</u>	<u>\$ 47,936</u>	<u>\$ 781,207</u>	<u>\$ 4,450,748</u>
Carrying amount at January 1, 2024	<u>\$ 1,797,045</u>	<u>\$ 20,196</u>	<u>\$ 593,006</u>	<u>\$ 677,811</u>	<u>\$ 40,762</u>	<u>\$ 174,089</u>	<u>\$ 620,866</u>	<u>\$ 3,923,775</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 1,797,045	\$ 164,600	\$ 2,519,610	\$ 5,019,816	\$ 141,566	\$ 136,883	\$ 259,956	\$ 10,039,476
Additions	-	-	1,620	101,700	9,660	21,859	265,853	400,692
Disposals	-	-	-	(26,129)	(10,177)	(3,971)	-	(40,277)
Reclassification	-	-	-	50,246	-	94,061	-	144,307
Balance at September 30, 2023	<u>\$ 1,797,045</u>	<u>\$ 164,600</u>	<u>\$ 2,521,230</u>	<u>\$ 5,145,633</u>	<u>\$ 141,049</u>	<u>\$ 248,832</u>	<u>\$ 525,809</u>	<u>\$ 10,544,198</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 140,174	\$ 1,917,840	\$ 4,427,672	\$ 96,386	\$ 68,026	\$ -	\$ 6,650,098
Disposals	-	-	-	(26,129)	(9,363)	(3,971)	-	(39,463)
Depreciation expense	-	3,284	42,934	88,928	9,913	9,910	-	154,969
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 143,458</u>	<u>\$ 1,960,774</u>	<u>\$ 4,490,471</u>	<u>\$ 96,936</u>	<u>\$ 73,965</u>	<u>\$ -</u>	<u>\$ 6,765,604</u>
Carrying amount at September 30, 2023	<u>\$ 1,797,045</u>	<u>\$ 21,142</u>	<u>\$ 560,456</u>	<u>\$ 655,162</u>	<u>\$ 44,113</u>	<u>\$ 174,867</u>	<u>\$ 525,809</u>	<u>\$ 3,778,594</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	7-10 years
Buildings	3-55 years
Machinery and equipment	2-20 years
Transportation equipment	5 years
Other equipment	3-8 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 32.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Land	\$ 123,119	\$ 30,011	\$ 32,049
Buildings	9,295	-	-
Other equipment	<u>1,681</u>	<u>293</u>	<u>512</u>
	<u>\$ 134,095</u>	<u>\$ 30,304</u>	<u>\$ 32,561</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30
	2024	2023	2024 2023
Additions to right-of-use assets	<u>\$ 11,129</u>	<u>\$ 1,052</u>	<u>\$ 128,226</u> <u>\$ 3,072</u>
Depreciation charge for right-of-use assets			
Land	\$ 7,732	\$ 5,776	\$ 22,639 \$ 18,154
Buildings	845	-	845 -
Other equipment	<u>163</u>	<u>219</u>	<u>564</u> <u>651</u>
	<u>\$ 8,740</u>	<u>\$ 5,995</u>	<u>\$ 24,048</u> <u>\$ 18,805</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 31,153</u>	<u>\$ 16,980</u>	<u>\$ 17,218</u>
Non-current	<u>\$ 100,505</u>	<u>\$ 9,462</u>	<u>\$ 11,575</u>

Range of discount rates for lease liabilities was as follows:

September 30, 2024	December 31, 2023	September 30, 2023
0.878%-1.971%	0.878%-1.837%	0.878%-1.734%

c. Material leasing activities and terms

The Group leases land, buildings and equipment for the use of storage area, office and plants with lease term of 2 to 10 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease term. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases and low-value asset leases	\$ 6,186	\$ 3,094	\$ 17,213	\$ 11,962
Total cash outflow for leases	\$ 13,867	\$ 9,438	\$ 40,871	\$ 31,577

15. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance at January 1, 2024	\$ 292,655
Additions	-
Balance at September 30, 2024	\$ 292,655
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ (193,851)
Depreciation expense	(1,502)
Balance at September 30, 2024	\$ (195,353)
Carrying amount at September 30, 2024	\$ 97,302
Carrying amount at January 1, 2024	\$ 98,804
<u>Cost</u>	
Balance at January 1, 2023	\$ 292,655
Additions	-
Balance at September 30, 2023	\$ 292,655

(Continued)

	Amount
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ (191,850)
Depreciation expense	<u>(1,501)</u>
Balance at September 30, 2023	<u>\$ (193,351)</u>
Carrying amount at September 30, 2023	<u>\$ 99,304</u> (Concluded)

The investment properties are depreciated using the straight-line method in 50 years.

The fair value of the investment real estate was evaluated by the management of the Group with reference to the transaction prices of similar properties in the market. The fair value of the investment real estate as of December 31, 2023 and 2022 were \$174,572 thousand and \$182,268 thousand, respectively. Comparing December 31, 2023 and 2022, there were no significant changes in the fair value of September 30, 2024 and 2023.

All of the Group's investment properties were held under freehold interests. The investment properties pledged as collateral for bank borrowings were set out in Note 32.

16. INTANGIBLE ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Service concession arrangements*	\$ 5,345,009	\$ 5,553,202	\$ 5,620,414
Computer software	<u>4,267</u>	<u>5,830</u>	<u>6,178</u>
	<u>\$ 5,349,276</u>	<u>\$ 5,559,032</u>	<u>\$ 5,626,592</u>

- * The subsidiary - Ever Ecove Corporation signed a construction contract of "Building, Operation and Transfer of Taoyuan City Biomass Energy Center" with Taoyuan City Government, and the price of the right to charge public service users which was built by Ever Ecove Corporation, is classified as intangible assets - service concession arrangements. The construction period was from October 2018 to October 2021. Ever Ecove Corporation was able to apply to Taoyuan City Government for a one-time extension. Upon completion of construction, Ever Ecove Corporation shall provide operational services until October 2043. Due to the impact of the epidemic, Ever Ecove Corporation did not complete the construction and the operations test before the end of March 2023. According to the Taoyuan City Government Correspondence Section, liquidated damages have been imposed, and relevant provisions have been made. Upon expiration of the service concession arrangement, Ever Ecove Corporation shall return the right of management according to the contract and transfer the ownership of the built biomass energy center and related auxiliary facilities to Taoyuan City Government free of charge. Ever Ecove Corporation has obtained a letter of permission from the Taoyuan City Government to operate the Taoyuan City Biomass Energy Center (except for the anaerobic digestion system) on December 29, 2023.

17. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Prepaid expenses	\$ 37,601	\$ 22,835	\$ 27,915
Prepayments	35,128	63,345	85,017
Tax credit	<u>2,205</u>	<u>8,933</u>	<u>4,588</u>
	<u>\$ 74,934</u>	<u>\$ 95,113</u>	<u>\$ 117,520</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 608,817	\$ 453,116	\$ 472,833
Others	<u>1,392</u>	<u>-</u>	<u>-</u>
	<u>\$ 610,209</u>	<u>\$ 453,116</u>	<u>\$ 472,833</u>

18. LONG-TERM BORROWINGS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured borrowings</u>			
Bank loans	\$ 2,780,000	\$ 2,830,000	\$ 2,830,000
Less: Current portion of long-term borrowing	(111,200)	-	(84,900)
Less: Unamortized discount	<u>-</u>	<u>-</u>	<u>(13,343)</u>
	<u>\$ 2,668,800</u>	<u>\$ 2,830,000</u>	<u>\$ 2,731,757</u>
Expiry date	These borrowings are gradually expiring before the end of October 2034.	These borrowings are gradually expiring before the end of October 2034.	These borrowings are gradually expiring before the end of October 2034.
Interest rate range	2.02%	1.90%	2.32%

Please refer to Note 32 for details of the collaterals pledged for the above long-term borrowings.

19. TRADE PAYABLES

The average credit period on purchases of certain goods is 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Group, usually more than twelve months after the reporting period. Refer to Note 23 for maturity analysis of retentions payable.

20. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Other payables			
Payables for equipment	\$ 516,294	\$ 785,987	\$ 947,873
Payables for salaries or bonus	157,612	3,442	95,692
Payables for annual leave	39,185	41,886	37,041
Payables for transportation fees	34,354	19,703	16,774
Payables for compensation of employees and remuneration of directors	33,323	51,365	44,119
Payables for taxes	12,849	15,556	21,800
Payables for insurance expenses	11,570	15,198	10,511
Others	<u>102,765</u>	<u>114,666</u>	<u>152,847</u>
	<u>\$ 907,952</u>	<u>\$ 1,047,803</u>	<u>\$ 1,326,657</u>
<u>Non-current</u>			
Other non-current liabilities			
Long-term payables*	\$ 52,005	\$ 52,005	\$ 57,783
Others	<u>24,768</u>	<u>27,508</u>	<u>27,689</u>
	<u>\$ 76,773</u>	<u>\$ 79,513</u>	<u>\$ 85,472</u>

* The Group made an accrual for future anticipated payment to Taoyuan City Government for land according to service concession arrangements.

21. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Warranties (a)	\$ 69,638	\$ 65,826	\$ 66,512
Onerous contracts - loss on construction	-	220	63
Others	<u>29,050</u>	<u>18,350</u>	<u>13,800</u>
	<u>\$ 98,688</u>	<u>\$ 84,396</u>	<u>\$ 80,375</u>
<u>Non-current</u>			
Replacement (b)	<u>\$ 114,883</u>	<u>\$ 113,685</u>	<u>\$ 113,288</u>

- The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts.
- The Group made a provision for future anticipated replacement of intangible assets - service concession arrangements.

22. RETIREMENT BENEFIT PLANS

Employee benefits expenses in respect of the Group's defined retirement benefit plans were \$1,234 thousand, \$1,242 thousand, \$3,701 thousand and \$3,727 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively, and were calculated using the respective year's actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to the steel structure business was based on its operating cycle. The amount expected to be recovered or settled within one year after the reporting period and more than one year after the reporting period for related assets and liabilities were as follows:

	Within 1 Year	More Than 1 Year	Total
<u>September 30, 2024</u>			
Assets			
Notes receivable	\$ 156,820	\$ -	\$ 156,820
Trade receivables	1,036,595	-	1,036,595
Inventories	4,491,095	-	4,491,095
Contract assets - current	<u>2,072,827</u>	<u>1,170,177</u>	<u>3,243,004</u>
	<u>\$ 7,757,337</u>	<u>\$ 1,170,177</u>	<u>\$ 8,927,514</u>
Liabilities			
Notes payable	\$ 360,027	\$ -	\$ 360,027
Trade payables	1,246,221	179,372	1,425,593
Contract liabilities - current	<u>2,220,212</u>	<u>-</u>	<u>2,220,212</u>
	<u>\$ 3,826,460</u>	<u>\$ 179,372</u>	<u>\$ 4,005,832</u>
<u>December 31, 2023</u>			
Assets			
Notes receivable	\$ 40,755	\$ -	\$ 40,755
Trade receivables	588,989	-	588,989
Inventories	3,899,751	-	3,899,751
Contract assets - current	<u>1,575,459</u>	<u>1,154,139</u>	<u>2,729,598</u>
	<u>\$ 6,104,954</u>	<u>\$ 1,154,139</u>	<u>\$ 7,259,093</u>
Liabilities			
Notes payable	\$ 252,638	\$ -	\$ 252,638
Trade payables	913,864	115,880	1,029,744
Contract liabilities - current	<u>1,819,757</u>	<u>-</u>	<u>1,819,757</u>
	<u>\$ 2,986,259</u>	<u>\$ 115,880</u>	<u>\$ 3,102,139</u>

(Continued)

	Within 1 Year	More Than 1 Year	Total
<u>September 30, 2023</u>			
Assets			
Notes receivable	\$ 27,400	\$ -	\$ 27,400
Trade receivables	1,392,737	-	1,392,737
Inventories	2,950,114	-	2,950,114
Contract assets - current	<u>2,054,799</u>	<u>1,022,348</u>	<u>3,077,147</u>
	<u>\$ 6,425,050</u>	<u>\$ 1,022,348</u>	<u>\$ 7,447,398</u>
Liabilities			
Notes payable	\$ 351,859	\$ -	\$ 351,859
Trade payables	934,146	119,113	1,053,259
Contract liabilities - current	<u>1,056,343</u>	<u>-</u>	<u>1,056,343</u>
	<u>\$ 2,342,348</u>	<u>\$ 119,113</u>	<u>\$ 2,461,461</u>
			(Concluded)

24. EQUITY

a. Share capital

Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>440,000</u>	<u>440,000</u>	<u>440,000</u>
Shares authorized	<u>\$ 4,400,000</u>	<u>\$ 4,400,000</u>	<u>\$ 4,400,000</u>
Number of shares issued and fully paid (in thousands)	<u>417,091</u>	<u>417,091</u>	<u>417,091</u>
Shares issued	<u>\$ 4,170,915</u>	<u>\$ 4,170,915</u>	<u>\$ 4,170,915</u>

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital (1)</u>			
Additional paid-in capital			
Issuance of ordinary shares	\$ 834,085	\$ 834,085	\$ 834,085
From business combinations	51,598	51,598	51,598
Treasury share transactions	424,933	424,933	424,933
			(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May only be used to offset a deficit</u>			
Changes in ownership interests in subsidiaries (2)	\$ 8,510	\$ 8,510	\$ 8,510
Unclaimed dividends	<u>595</u>	<u>548</u>	<u>548</u>
	<u>\$ 1,319,721</u>	<u>\$ 1,319,674</u>	<u>\$ 1,319,674</u>
			(Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors before and after amendment, please refer to f. employee benefits expense in Note 26.

The Company's dividend policy also stipulates to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the parent company shall distribute dividends at no less than 50% of the net profit. The dividends may be distributed by either cash or shares, and cash dividends shall not be less than 50% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022 which were approved in shareholders' meetings on May 27, 2024 and June 20, 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2023	2022	2023	2022
Legal reserve	\$ 384,297	\$ 266,477		
Cash dividends	2,711,095	2,085,457	\$ 6.5	\$ 5.0

25. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Construction contract revenue	\$ 2,477,322	\$ 2,289,173	\$ 7,280,410	\$ 6,718,854
Revenue from waste treatment	517,497	513,685	1,382,820	1,557,558
Energy revenue	239,638	242,846	678,246	706,779
Revenue from containers repair	<u>44,027</u>	<u>45,332</u>	<u>130,198</u>	<u>136,514</u>
	<u>\$ 3,278,484</u>	<u>\$ 3,091,036</u>	<u>\$ 9,471,674</u>	<u>\$ 9,119,705</u>

a. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Contract assets			
Properties construction	\$ 1,349,086	\$ 788,509	\$ 867,423
Retention receivable	1,918,487	1,985,238	2,245,803
Waste treatment	49,674	-	-
Less: Allowance for impairment loss	<u>(24,569)</u>	<u>(44,149)</u>	<u>(36,079)</u>
	<u>\$ 3,292,678</u>	<u>\$ 2,729,598</u>	<u>\$ 3,077,147</u>
Contract liabilities			
Properties construction	\$ 2,220,212	\$ 1,819,757	\$ 1,056,343
Waste treatment	<u>22,129</u>	<u>14,220</u>	<u>36,318</u>
	<u>\$ 2,242,341</u>	<u>\$ 1,833,977</u>	<u>\$ 1,092,661</u>

The movements of the loss allowance of contract assets were as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 44,149	\$ 65,327
Add: Net remeasurement of loss allowance reversed	<u>(19,580)</u>	<u>(29,248)</u>
Balance at September 30	<u>\$ 24,569</u>	<u>\$ 36,079</u>

b. Partially completed contracts

As of September 30, 2024, December 31, 2023 and September 30, 2023, the transaction price allocated to contract performance obligations that have not been completed totaled \$21,551,649 thousand, \$20,497,839 thousand and \$20,537,890 thousand respectively. The Group shall gradually recognize revenues based on the completion status of the projects. The revenues from the contracts are expected to be recognized before the end of April 2027.

26. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividend income	\$ 398,838	\$ 169,047	\$ 585,128	\$ 1,469,709
Rental income	1,552	2,343	4,608	6,344
Others (Note 31)	<u>4,892</u>	<u>2,643</u>	<u>8,390</u>	<u>9,766</u>
	<u>\$ 405,282</u>	<u>\$ 174,033</u>	<u>\$ 598,126</u>	<u>\$ 1,485,819</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Gain on disposal of property, plant and equipment	\$ 3,227	\$ 620	\$ 3,793	\$ 933
Net foreign exchange gains (losses)	1,128	358	2,147	(2,499)
Others	<u>(4,684)</u>	<u>(194)</u>	<u>(11,309)</u>	<u>(15,271)</u>
	<u>\$ (329)</u>	<u>\$ 784</u>	<u>\$ (5,369)</u>	<u>\$ (16,837)</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 14,522	\$ 17,738	\$ 42,797	\$ 52,826
Interest on commercial paper	1	27	10	75
Interest on lease liabilities	638	91	1,075	328
Interest on replacement provision	401	395	1,198	526
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,637)</u>
	<u>\$ 15,562</u>	<u>\$ 18,251</u>	<u>\$ 45,080</u>	<u>\$ 22,118</u>

Information about capitalized interest is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Capitalized interest amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,637</u>
Capitalization rate	-	-	-	1.95%-2.32%

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 57,674	\$ 53,270	\$ 168,420	\$ 154,969
Right-of-use assets	8,740	5,995	24,048	18,805
Investment property	501	500	1,502	1,501
Intangible assets	<u>71,178</u>	<u>68,337</u>	<u>211,589</u>	<u>92,928</u>
	<u>\$ 138,093</u>	<u>\$ 128,102</u>	<u>\$ 405,559</u>	<u>\$ 268,203</u>
An analysis of deprecation by function				
Operating costs	\$ 63,724	\$ 56,546	\$ 184,352	\$ 165,628
Operating expenses	<u>3,191</u>	<u>3,219</u>	<u>9,618</u>	<u>9,647</u>
	<u>\$ 66,915</u>	<u>\$ 59,765</u>	<u>\$ 193,970</u>	<u>\$ 175,275</u>
An analysis of amortization by function				
Operating costs	\$ 70,145	\$ 67,315	\$ 208,565	\$ 89,949
Operating expenses	<u>1,033</u>	<u>1,022</u>	<u>3,024</u>	<u>2,979</u>
	<u>\$ 71,178</u>	<u>\$ 68,337</u>	<u>\$ 211,589</u>	<u>\$ 92,928</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 5,952	\$ 5,451	\$ 17,721	\$ 16,557
Defined benefit plans (Note 22)	1,234	1,242	3,701	3,727
Other employee benefits	<u>235,260</u>	<u>194,675</u>	<u>685,207</u>	<u>589,368</u>
Total employee benefits expense	<u>\$ 242,446</u>	<u>\$ 201,368</u>	<u>\$ 706,629</u>	<u>\$ 609,652</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 122,799	\$ 100,321	\$ 355,815	\$ 303,748
Operating expenses	<u>119,647</u>	<u>101,047</u>	<u>350,814</u>	<u>305,904</u>
	<u>\$ 242,446</u>	<u>\$ 201,368</u>	<u>\$ 706,629</u>	<u>\$ 609,652</u>

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the nine months ended September 30, 2024 and 2023, were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2024	2023
Compensation of employees	0.50%	0.51%
Remuneration of directors	0.21%	0.15%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Compensation of employees	\$ 4,460	\$ 5,450	\$ 12,300	\$ 18,300
Remuneration of directors	1,750	1,750	5,250	5,250

If there is a change in the amounts after the consolidated annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 that were resolved by the board of directors on March 13, 2024 and March 10, 2023, respectively, were as shown below:

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 20,450	\$ 13,600
Remuneration of directors	6,495	7,000

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 120,564	\$ 227,239	\$ 433,810	\$ 553,490
Income tax on unappropriated earnings	-	(2,101)	45,467	20,208
Equipment's investment tax credits	(5,953)	(37,152)	(19,946)	(37,152)
Shareholders' investment tax credits	-	-	-	(50,526)
Adjustment for prior year	<u>(1,669)</u>	<u>(22,830)</u>	<u>(6,763)</u>	<u>(23,687)</u>
	<u>112,942</u>	<u>165,156</u>	<u>452,568</u>	<u>462,333</u>
Deferred tax				
In respect of the current period	3,905	2,353	9,831	72
Equipment's investment tax credits	5,953	(76,340)	19,946	(76,340)
Shareholders' investment tax credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,526</u>
	<u>9,858</u>	<u>(73,987)</u>	<u>29,777</u>	<u>(25,742)</u>
Income tax expense recognized in profit or loss	<u>\$ 122,800</u>	<u>\$ 91,169</u>	<u>\$ 482,345</u>	<u>\$ 436,591</u>

b. Income tax assessments

The income tax of the Group through 2022 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 1.95</u>	<u>\$ 2.20</u>	<u>\$ 5.02</u>	<u>\$ 7.83</u>
Diluted earnings per share	<u>\$ 1.95</u>	<u>\$ 2.19</u>	<u>\$ 5.01</u>	<u>\$ 7.83</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit for the period attributable to owners of the Company	<u>\$ 812,667</u>	<u>\$ 916,030</u>	<u>\$ 2,091,743</u>	<u>\$ 3,267,840</u>

Shares

	Unit: In Thousand Shares			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	417,091	417,091	417,091	417,091
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>104</u>	<u>258</u>	<u>147</u>	<u>322</u>
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	<u>417,195</u>	<u>417,349</u>	<u>417,238</u>	<u>417,413</u>

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 11,491,184	\$ -	\$ -	\$ 11,491,184
Unlisted shares-ROC	-	-	1,751,694	1,751,694
Unlisted shares in other country	-	-	188,340	188,340
	<u>\$ 11,491,184</u>	<u>\$ -</u>	<u>\$ 1,940,034</u>	<u>\$ 13,431,218</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 9,345,408	\$ -	\$ -	\$ 9,345,408
Unlisted shares-ROC	-	-	1,570,068	1,570,068
Unlisted shares in other country	-	-	175,116	175,116
	<u>\$ 9,345,408</u>	<u>\$ -</u>	<u>\$ 1,745,184</u>	<u>\$ 11,090,592</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 8,502,794	\$ -	\$ -	\$ 8,502,794
Unlisted shares-ROC	-	-	1,517,882	1,517,882
Unlisted shares in other country	-	-	179,791	179,791
	<u>\$ 8,502,794</u>	<u>\$ -</u>	<u>\$ 1,697,673</u>	<u>\$ 10,200,467</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

- 2) Reconciliation of Level 3 fair value measurements of financial instruments: None
- 3) Valuation techniques and inputs applied for Level 2 fair value measurement: None
- 4) Valuation techniques and inputs applied for Level 3 fair value measurement: The fair values of unlisted equity securities - ROC were determined using market approach. The market approach is used to arrive at their par values for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 6,334,633	\$ 7,657,584	\$ 7,446,097
Financial assets at FVTOCI			
Equity instruments	13,431,218	11,090,592	10,200,467
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	5,845,266	5,289,432	5,702,795
Lease liabilities	131,658	26,442	28,793

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables and other receivables, financial assets at amortized cost and refundable deposits.
- 2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable and trade payables, other payables, guarantee deposits received, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's Corporate Treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There have been no changes to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the Currency USD, Currency EUR, Currency JPY and Currency RMB.

The following table details the Group's sensitivity to an increase and a decrease in New Taiwan Dollars (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. The positive numbers in the following table indicate the amount of increase in net profit before tax when the New Taiwan Dollars depreciates by 5% relative to the relevant currencies; when the New Taiwan Dollars appreciates by 5% relative to the relevant foreign currencies, its impact on the net profit before tax will be the negative number of the same amount.

	USD Impact		EUR Impact	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit or loss	\$ <u>(542)</u> *	\$ <u>422</u> *	\$ <u>(1,435)</u> *	\$ <u>63</u> *
	JPY Impact		RMB Impact	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit or loss	\$ <u>(2,051)</u> *	\$ <u>200</u> *	\$ <u>(382)</u> *	\$ <u>(199)</u> *

* This was mainly attributable to the exposure on outstanding demand deposits and payables in USD, EUR, JPY and RMB in cash flow hedges at the end of the period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 2,234,377	\$ 3,751,990	\$ 2,734,154
Financial liabilities	131,658	26,442	28,793
Cash flow interest rate risk			
Financial assets	2,005,964	2,695,399	2,763,256
Financial liabilities	2,780,000	2,830,000	2,816,657

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have decreased/increased by \$2,903 thousand and \$200 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, time deposits, and demand deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk was mainly concentrated on equity instruments operating in Taiwan industry sector quoted in the Taiwan Stock Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, pre-tax profit for nine months ended September 30, 2024 and 2023 would have increased/decreased by \$402,937 thousand and \$306,014 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices increased due to the impact of equity price fluctuations.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

In order to minimize credit risk, management of the Group is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk of 19% and 51% of total trade receivables as of September 30, 2024 and 2023, respectively, were related to the Group's five largest customers. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2024 and 2023, the Group had available unutilized bank loan facilities as set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

September 30, 2024

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,865,087	\$ 267,910	\$ 40,448
Lease liabilities	33,356	63,787	43,680
Variable interest rate liabilities	<u>139,278</u>	<u>1,073,792</u>	<u>1,889,827</u>
	<u>\$ 3,037,721</u>	<u>\$ 1,405,489</u>	<u>\$ 1,973,955</u>

December 31, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,346,862	\$ 193,797	\$ -
Lease liabilities	17,214	9,569	-
Variable interest rate liabilities	<u>53,770</u>	<u>958,012</u>	<u>2,181,166</u>
	<u>\$ 2,417,846</u>	<u>\$ 1,161,378</u>	<u>\$ 2,181,166</u>

September 30, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,690,832	\$ 195,306	\$ -
Lease liabilities	17,475	11,744	-
Variable interest rate liabilities	<u>150,437</u>	<u>962,559</u>	<u>2,182,973</u>
	<u>\$ 2,858,744</u>	<u>\$ 1,169,609</u>	<u>\$ 2,182,973</u>

b) Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank facilities			
Amount used	\$ 1,115,894	\$ 269,015	\$ 192,006
Amount unused	<u>5,648,106</u>	<u>6,744,985</u>	<u>6,321,994</u>
	<u>\$ 6,764,000</u>	<u>\$ 7,014,000</u>	<u>\$ 6,514,000</u>
Secured bank facilities			
Amount used	\$ 3,280,000	\$ 3,830,000	\$ 4,180,000
Amount unused	<u>2,100,000</u>	<u>1,758,400</u>	<u>1,618,400</u>
	<u>\$ 5,380,000</u>	<u>\$ 5,588,400</u>	<u>\$ 5,798,400</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationships

<u>Related Party</u>	<u>Relationship with the Group</u>
Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Group
Chang Yung-Fa Foundation	Other related party
Evergreen International Storage & Transport Corporation	Other related party
Evergreen International Corporation	Other related party
Evergreen Security Corporation	Other related party
Ever Accord Construction Corporation	Other related party
EVA Airways Corporation	Other related party
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Other related party
Kun Lin Engineering Co., Ltd.	Associate

b. Operating revenue

Related Party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Investor that has significant influence over the Group	\$ 41,872	\$ 43,052	\$ 123,180	\$ 129,162
Other related party	<u>7</u>	<u>390</u>	<u>1,088</u>	<u>1,519</u>
	<u>\$ 41,879</u>	<u>\$ 43,442</u>	<u>\$ 124,268</u>	<u>\$ 130,681</u>

The sales conditions for related parties in substance were not significantly different from those sales made to the Group's usual prices list. There was no comparable sales price between non-related parties and related party in substance for repairing containers.

c. Other income

Related Party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ 330</u>

d. Purchases of goods and expenses

Related Party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Investor that has significant influence over the Group	\$ 527	\$ 830	\$ 1,211	\$ 1,397
Other related party	7,855	7,690	23,741	23,648
Associate	<u>-</u>	<u>-</u>	<u>340</u>	<u>340</u>
	<u>\$ 8,382</u>	<u>\$ 8,520</u>	<u>\$ 25,292</u>	<u>\$ 25,385</u>

The purchases to related parties had no significant differences with other non-related parties.

e. Contract assets

Related Party	September 30, 2024	December 31, 2023	September 30, 2023
Other related party	<u>\$ 17,874</u>	<u>\$ 23,696</u>	<u>\$ 29,418</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, impairment loss of \$0 thousand, \$894 thousand and \$0 thousand, respectively, were recognized for contract assets from related parties.

f. Receivables from related parties

Trade receivables

Related Party	September 30, 2024	December 31, 2023	September 30, 2023
Investor that has significant influence over the Group	\$ 22,917	\$ 31,698	\$ 27,505
Other related party	<u>-</u>	<u>74</u>	<u>320</u>
	<u>\$ 22,917</u>	<u>\$ 31,772</u>	<u>\$ 27,825</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, impairment loss of \$0 thousand, were recognized for both trade receivables from related parties.

The outstanding trade receivables from related parties are unsecured.

g. Payables to related parties

Note payables

Related Party	September 30, 2024	December 31, 2023	September 30, 2023
Investor that has significant influence over the Group	\$ 3	\$ -	\$ -
Other related party	<u>413</u>	<u>-</u>	<u>-</u>
	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ -</u>

Trade payables

Related Party	September 30, 2024	December 31, 2023	September 30, 2023
Other related party	<u>\$ 108</u>	<u>\$ 267</u>	<u>\$ 226</u>

Other payables

Related Party	September 30, 2024	December 31, 2023	September 30, 2023
Investor that has significant influence over the Group	\$ 132	\$ 2	\$ 42
Other related party	<u>5,097</u>	<u>3,185</u>	<u>3,101</u>
	<u>\$ 5,229</u>	<u>\$ 3,187</u>	<u>\$ 3,143</u>

The outstanding trade payables to related parties are unsecured.

h. Acquisition of property, plant and equipment

	Related Party	Purchase Price	
		For the Nine Months Ended	
		September 30	
		2024	2023
Other related party		\$ <u>-</u>	\$ <u>600</u>

i. Lease arrangements

	Related Party	For the Nine Months Ended	
		September 30	
		2024	2023

Acquisitions of right-of-use assets

Investor that has significant influence over the Group	\$ <u>10,140</u>	\$ <u>-</u>
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Line Item	Related Party	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities - current	Investor that has significant influence over the Group	\$ 3,330	\$ -	\$ -
Lease liabilities - non-current	Investor that has significant influence over the Group	<u>5,988</u>	<u>-</u>	<u>-</u>
		<u>\$ 9,318</u>	<u>\$ -</u>	<u>\$ -</u>

The Group leased office and plant from a significant investor in July 2024 for a period of 3 years. The rent was determined based on the rent levels of similar assets, and lease payments were made monthly in accordance with the lease agreement.

j. Compensation of key management personnel

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 11,431	\$ 12,018	\$ 35,226	\$ 35,768
Post-employment benefits	<u>92</u>	<u>64</u>	<u>272</u>	<u>210</u>
	<u>\$ 11,523</u>	<u>\$ 12,082</u>	<u>\$ 35,498</u>	<u>\$ 35,978</u>

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, provisional attachment and performance guarantees, etc.:

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment, net	\$ 1,230,803	\$ 1,559,062	\$ 2,185,814
Investment properties	83,474	91,702	92,202
Financial assets at amortized cost	<u>404,040</u>	<u>413,479</u>	<u>416,145</u>
	<u>\$ 1,718,317</u>	<u>\$ 2,064,243</u>	<u>\$ 2,694,161</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of September 30, 2024 and 2023 were as follows:

- a. As of September 30, 2024, December 31, 2023 and September 30, 2023, unused letters of credit for purchasing of materials were as follows:

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

Currency	September 30, 2024	December 31, 2023	September 30, 2023
NTD	\$ 318,754	\$ 288,254	\$ 572,968
USD	13	268	312

- b. The Group's unrecognized contractual commitments for the construction of intangible assets service concession arrangements were as follows:

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

Currency	September 30, 2024	December 31, 2023	September 30, 2023
NTD	\$ 88,467	\$ -	\$ -

- c. For acquisition of property, plant and equipment, unrecognized commitments were as follows:

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

Currency	September 30, 2024	December 31, 2023	September 30, 2023
NTD	\$ 239,603	\$ 617,046	\$ 836,733
EUR	231	231	231

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

September 30, 2024

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 10	31.65 (USD:NTD)	\$ 329
EUR	16	35.38 (EUR:NTD)	581
JPY	68,664	0.2223 (JPY:NTD)	15,264
<u>Financial liabilities</u>			
Monetary items			
USD	353	31.65 (USD:NTD)	11,168
EUR	827	35.38 (EUR:NTD)	29,276
JPY	253,191	0.2223 (JPY:NTD)	56,284
RMB	1,690	4.523 (RMB:NTD)	7,642

December 31, 2023

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,599	30.705 (USD:NTD)	\$ 49,101
EUR	132	33.98 (EUR:NTD)	4,477
JPY	59,068	0.2172 (JPY:NTD)	12,830
<u>Financial liabilities</u>			
Monetary items			
USD	538	30.705 (USD:NTD)	16,509
EUR	1,277	33.98 (EUR:NTD)	43,399
JPY	431,186	0.2172 (JPY:NTD)	93,654
RMB	1,265	4.327 (RMB:NTD)	5,474

September 30, 2023

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 311	32.27 (USD:NTD)	\$ 10,051
EUR	145	33.91 (EUR:NTD)	4,916
JPY	70,349	0.2162 (JPY:NTD)	15,209
<u>Financial liabilities</u>			
Monetary items			
USD	50	32.27 (USD:NTD)	1,604
EUR	108	33.91 (EUR:NTD)	3,661
JPY	51,837	0.2162 (JPY:NTD)	11,207
RMB	901	4.415 (RMB:NTD)	3,977

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: (Table 1).
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): (Table 2).
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisitions of individual real estate at costs of at least NT \$300 million or 20% of the paid-in capital: None.
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 3).
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Trading in derivative instruments: None.
- 10) Intercompany relationships and significant intercompany transactions: (Table 4).
- 11) Names, locations, and related information of investees accounted for: (Table 5).

c. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6).
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: (Table 7).

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

- Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Steel Structures	Hsin Yung Enterprise Corporation	Super Max Engineering Enterprise Co., Ltd.	Ever Ecove Corporation	Others	Eliminations	Total
For the nine months ended September 30, 2024							
Revenue from external customers	\$ 7,287,888	\$ 555,148	\$ 464,961	\$ 1,033,479	\$ 130,198	\$ -	\$ 9,471,674
Inter-segment revenue	-	-	259	-	-	(259)	-
Segment revenue	<u>\$ 7,287,888</u>	<u>\$ 555,148</u>	<u>\$ 465,220</u>	<u>\$ 1,033,479</u>	<u>\$ 130,198</u>	<u>\$ (259)</u>	<u>\$ 9,471,674</u>

(Continued)

	Steel Structures	Hsin Yung Enterprise Corporation	Super Max Engineering Enterprise Co., Ltd.	Ever Ecove Corporation	Others	Eliminations	Total
Segment income	<u>\$ 1,500,671</u>	<u>\$ 244,155</u>	<u>\$ 129,079</u>	<u>\$ 282,465</u>	<u>\$ 20,785</u>	<u>\$ 863</u>	\$ 2,178,018
Interest income							62,818
Other income							598,126
Other gains and losses							(5,369)
Finance costs							(45,080)
Share of profit of associates and joint ventures accounted for using equity method							<u>22,823</u>
Profit before tax							<u>\$ 2,811,336</u>
For the nine months ended September 30, 2023							
Revenue from external customers	\$ 6,718,854	\$ 866,621	\$ 498,524	\$ 899,192	\$ 136,514	\$ -	\$ 9,119,705
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>342</u>	<u>-</u>	<u>-</u>	<u>(342)</u>	<u>-</u>
Segment revenue	<u>\$ 6,718,854</u>	<u>\$ 866,621</u>	<u>\$ 498,866</u>	<u>\$ 899,192</u>	<u>\$ 136,514</u>	<u>\$ (342)</u>	<u>\$ 9,119,705</u>
Segment income	<u>\$ 1,472,583</u>	<u>\$ 597,817</u>	<u>\$ 149,313</u>	<u>\$ 483,652</u>	<u>\$ 25,449</u>	<u>\$ 962</u>	\$ 2,729,776
Interest income							52,548
Other income							1,485,819
Other gains and losses							(16,837)
Finance costs							(22,118)
Share of profit of associates and joint ventures accounted for using equity method							<u>14,888</u>
Profit before tax							<u>\$ 4,244,076</u>
							(Concluded)

Segment profit represented the profit before tax earned by each segment without interest income, other income, other gains and losses, finance costs, the share of profit of associates or income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Amount Provided to Each Guarantee Party	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Evergreen Steel Corporation	Ever Ecove Corporation	Subsidiary	\$ 13,038,129	\$ 1,927,310	\$ 1,927,310	\$ 1,566,878	\$ -	7.39	\$ 13,038,129	Y	-	-	Note 2
0	Evergreen Steel Corporation	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages	13,038,129	255,002	245,799	131,693	-	0.94	13,038,129	-	-	-	Note 2
1	Ming Yu Investment Corporation	Evergreen Steel Corporation	Parent company	5,046,060	1,201,220	903,220	903,220	-	357.99	5,046,060	-	Y	-	Note 3

Note 1: The Company and its subsidiaries are numbered as follows:

a. “0” for the Company.

b. Subsidiaries are numbered from “1”.

Note 2: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of the Company’s endorsements or guarantees for subsidiaries holding more than 50% of the shares is not limited by the above ratio, but the maximum shall not exceed 50% of the net value of the most recent financial statements of the Company.

Note 3: According to endorsement or guarantee provided regulation formulated by subsidiaries, the total amount of endorsement or guarantee that the Company is allowed to provide is up to 2,000% of the net worth value of the latest financial statements of the Company.

Note 4: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of endorsements or guarantees for subsidiaries is not limited by the above ratio, but the maximum shall not exceed 200% of the net value of the most recent financial statements of the Company.

TABLE 2

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Evergreen Steel Corporation	<u>Ordinary shares</u> EVA Airways Corporation	Other related party	Financial assets at FVTOCI - non-current	196,202,763	\$ 7,357,604	3.63	\$ 7,357,604	
	Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Group	Financial assets at FVTOCI - non-current	15,304,681	3,076,241	0.71	3,076,241	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTOCI - non-current	16,000,000	473,600	0.28	473,600	
	Taiwan Terminal Services Corporation	Other related party	Financial assets at FVTOCI - non-current	100,000	1,399	1.00	1,399	
	Taiwan Aerospace Corporation	-	Financial assets at FVTOCI - non-current	5,502,847	83,093	4.06	83,093	
	Pacific Resources Corporation	-	Financial assets at FVTOCI - non-current	19,195	971	2.56	971	
	Taiwan Incubator SME Development Corporation	-	Financial assets at FVTOCI - non-current	7,689,240	69,588	10.90	69,588	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Other related party	Financial assets at FVTOCI - non-current	6,678,735	188,340	13.39	188,340	
	Dongwei Transportation Co., Ltd.	-	Financial assets at FVTOCI - non-current	660,000	6,085	18.86	6,085	
	Ever Accord Construction Corporation	Other related party	Financial assets at FVTOCI - non-current	9,074,965	249,108	12.50	249,108	
	UNI Airways Corporation	Other related party	Financial assets at FVTOCI - non-current	56,474,992	1,341,281	14.99	1,341,281	
	Evergreen Security Corporation	Other related party	Financial assets at FVTOCI - non-current	10,000	169	0.05	169	
Hsin Yung Enterprise Corporation	Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Group	Financial assets at FVTOCI - non-current	2,885,519	579,989	0.13	579,989	
Super Max Engineering Enterprise Co., Ltd.	P.T. Super Max Indonesia	-	Financial assets at FVTOCI - non-current	-	-	11.00	-	
Ming Yu Investment Corporation	EVA Airways Corporation	Other related party	Financial assets at FVTOCI - non-current	100,000	3,750	-	3,750	

TABLE 3

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Purchaser/seller	Related Party	Relationship	Transaction Details				Differences in Transaction Terms Compared to Third Party Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Evergreen Steel Corporation	Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Group	Sale	\$ 123,180	1.66	15-45 days	Note	No significant difference	\$ 22,917	1.88	

Note: No similar prices on revenue from containers repair to compare with investor that has significant influence over the Company.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	a	Other income	\$ 398	According to mutual agreements	-
0	Evergreen Steel Corporation	Ever Ecove Corporation	a	Other income	439	According to mutual agreements	-

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationships are coded as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s end-of-period balance is shown as a percentage to the consolidated total assets as of September 30, 2024. For profit or loss items, cumulative amounts are shown as percentages to the consolidated total operating revenue for the nine months ended September 30, 2024.

Note 4: The table above only discloses related party transactions which are material.

TABLE 5

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ACCOUNTED FOR
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2024			Net Income (Losses) of the Investee	Share of Profits/ Losses of Investee	Note
				September 30, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	Taiwan	Waste treatment, disposal and cogeneration	\$ 992,666	\$ 992,666	99,266,577	68.46	\$ 1,846,447	\$ 237,867	\$ 162,843	Subsidiary
	Super Max Engineering Enterprise Co., Ltd.	Taiwan	Waste collection, treatment and disposal	594,441	594,441	24,147,144	48.13	1,003,355	139,695	67,229	Subsidiary
	Ever Ecove Corporation	Taiwan	Waste treatment, disposal and cogeneration	801,000	801,000	80,100,000	50.06	1,212,199	179,741	89,983	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	Ming Yu Investment Corporation	Taiwan	General investment activities	239,487	239,487	10,350,000	100.00	252,723	2,484	2,484	Subsidiary
	Kun Lin Engineering Co., Ltd.	Taiwan	Planning of wastewater, air and noise prevention; design, construction, sale, operation and maintenance of related equipment	18,000	18,000	4,999,999	50.00	160,733	45,646	22,823	Accounted for using equity method

Note: Refer to Table 6 for information on investments in mainland China.

TABLE 6

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars/Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profit (Loss) (Note 2)	Carrying Amount as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024	Note
					Outflow	Inflow							
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	Design, manufacture and installation of waste water, waste gas equipment and various piping	\$ 12,660 (US\$ 400)	c	\$ 12,660 (US\$ 400)	\$ -	\$ -	\$ 12,660 (US\$ 400)	\$ 21,017 (RMB 4,730)	24.07	\$ 5,057	\$ 43,434	\$ 79,822 (US\$ 2,522)	

Investor Company	Accumulated Investments in Mainland China as of September 30, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
Kun Lin Engineering Co., Ltd.	\$ 12,660 (US\$ 400)	\$ 12,660 (US\$ 400)	\$ 193,987

Note 1: Investment methods are classified into the following three categories:

- a. Directly invest in a company in mainland China.
- b. Through investing in an existing company in the third area, which then invested in the investee in mainland China.
- c. Others.

Note 2: The amount was recognized based on the investee’s unreviewed financial statements.

TABLE 7**EVERGREEN STEEL CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS****SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Evergreen Marine Corporation (Taiwan) Ltd.	79,248,000	19.00
Capital Tip Customized Taiwan Select High Dividend ETF	39,655,000	9.50
Chang, Kuo-Hua	25,756,820	6.17
Continental Engineering Corporation	25,645,907	6.14
Chang Yung-Fa Foundation	25,008,820	5.99
Shine Glow Investments Ltd.	25,008,820	5.99

Note 1: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's consolidated financial statements may be different due to differences in the basis of preparation and calculation.

Note 2: According the above information, the delivery of shares to the trust by shareholders is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who acquire more than 10% of shareholding have to disclose their insider ownerships, including their own shares held and those shares delivered to the trust over which shareholders have the right to make decisions on trust property, etc. Information on insider ownership declaration is available at the Market Observation Post System website of the Taiwan Stock Exchange.