

Evergreen Steel Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, 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 March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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

May 12, 2025

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	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,650,439	4	\$ 1,991,237	5	\$ 2,723,268	7
Financial assets at amortized cost - current (Notes 8 and 33)	2,789,585	7	2,918,281	7	3,517,520	10
Contract assets - current (Notes 23, 25 and 32)	3,559,422	9	3,327,746	8	3,110,641	8
Notes receivable, net (Note 23)	58,004	-	66,749	-	144,325	1
Trade receivables, net (Notes 9 and 23)	1,400,704	4	1,179,273	3	1,167,215	3
Trade receivables from related parties, net (Notes 9, 23 and 32)	27,529	-	28,227	-	28,317	-
Other receivables	14,871	-	25,935	-	32,795	-
Current tax assets (Note 4)	-	-	1,669	-	22,830	-
Inventories (Notes 10 and 23)	4,372,028	11	4,564,014	12	4,176,234	11
Other current assets (Note 17)	85,040	-	49,034	-	46,683	-
Total current assets	13,957,622	35	14,152,165	35	14,969,828	40
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	14,287,579	36	15,327,673	38	11,611,922	31
Financial assets at amortized cost - non-current (Notes 8 and 33)	47,801	-	47,801	-	400,036	1
Investments accounted for using equity method (Note 12)	181,470	1	175,337	1	173,072	-
Property, plant and equipment (Notes 13 and 33)	5,164,541	13	4,551,087	11	4,057,810	11
Right-of-use assets (Note 14)	118,256	1	129,047	-	38,666	-
Investment properties (Notes 15 and 33)	96,302	-	96,802	-	98,303	-
Intangible assets (Note 16)	5,319,787	14	5,392,294	13	5,490,976	15
Deferred tax assets (Note 4)	71,922	-	83,302	-	99,189	-
Refundable deposits	17,345	-	13,628	-	15,307	-
Net defined benefit assets - non-current (Notes 4 and 22)	101,390	-	101,908	-	65,496	-
Other non-current assets (Note 17)	51,866	-	618,372	2	561,651	2
Total non-current assets	25,458,259	65	26,537,251	65	22,612,428	60
TOTAL	\$ 39,415,881	100	\$ 40,689,416	100	\$ 37,582,256	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Notes 23 and 25)	\$ 1,658,333	4	\$ 2,283,781	6	\$ 2,207,376	6
Notes payable, net (Notes 23 and 32)	374,968	1	324,402	1	289,357	1
Trade payables, net (Notes 19, 23 and 32)	1,649,233	4	1,921,809	5	1,391,748	4
Other payables (Notes 20 and 32)	759,569	2	989,732	2	800,567	2
Current tax liabilities (Note 4)	451,526	1	310,854	1	543,288	1
Provisions - current (Note 21)	90,271	-	106,950	-	86,981	-
Lease liabilities - current (Notes 14 and 32)	27,522	-	30,942	-	21,535	-
Current portion of long-term borrowings (Note 18)	194,400	1	194,400	-	-	-
Other current liabilities	25,070	-	40,576	-	25,487	-
Total current liabilities	5,230,892	13	6,203,446	15	5,366,339	14
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	2,235,600	6	2,235,600	6	2,930,000	8
Provisions - non-current (Note 21)	115,689	1	115,285	1	114,083	1
Deferred tax liabilities (Note 4)	90,894	-	91,000	-	83,776	-
Lease liabilities - non-current (Notes 14 and 32)	90,006	-	95,506	-	14,770	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	6,039	-	6,056	-	7,979	-
Guarantee deposits received	98,220	-	77,419	-	75,593	-
Other non-current liabilities (Note 20)	67,923	-	73,717	-	80,741	-
Total non-current liabilities	2,704,371	7	2,694,583	7	3,306,942	9
Total liabilities	7,935,263	20	8,898,029	22	8,673,281	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital						
Ordinary shares	4,170,915	11	4,170,915	10	4,170,915	11
Capital surplus	1,319,760	3	1,319,721	3	1,319,674	3
Retained earnings						
Legal reserve	3,092,621	8	3,092,621	8	2,708,324	7
Unappropriated earnings	9,598,478	24	8,976,032	22	10,080,207	27
Total retained earnings	12,691,099	32	12,068,653	30	12,788,531	34
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(160)	-	(160)	-	(666)	-
Unrealized gain on financial assets at fair value through other comprehensive income	9,748,474	25	10,784,979	27	7,009,852	19
Total other equity	9,748,314	25	10,784,819	27	7,009,186	19
Total equity attributable to owners of the Company	27,930,088	71	28,344,108	70	25,288,306	67
NON-CONTROLLING INTERESTS	3,550,530	9	3,447,279	8	3,620,669	10
Total equity	31,480,618	80	31,791,387	78	28,908,975	77
TOTAL	\$ 39,415,881	100	\$ 40,689,416	100	\$ 37,582,256	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 March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 32)	\$ 3,882,271	100	\$ 2,849,572	100
OPERATING COSTS (Notes 10, 26 and 32)	<u>(2,889,208)</u>	<u>(74)</u>	<u>(2,030,050)</u>	<u>(71)</u>
GROSS PROFIT	<u>993,063</u>	<u>26</u>	<u>819,522</u>	<u>29</u>
OPERATING EXPENSES (Notes 26 and 32)				
Selling and marketing expenses	(68,404)	(2)	(74,411)	(3)
General and administrative expenses	(75,004)	(2)	(73,820)	(3)
Expected credit gain (Notes 9 and 25)	<u>8,456</u>	<u>-</u>	<u>14,097</u>	<u>1</u>
Total operating expenses	<u>(134,952)</u>	<u>(4)</u>	<u>(134,134)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>858,111</u>	<u>22</u>	<u>685,388</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	17,594	1	22,640	1
Other income (Notes 26 and 32)	14,469	-	3,103	-
Other gains (Note 26)	198	-	45	-
Finance costs (Note 26)	(13,568)	-	(14,378)	-
Share of profit of associates and joint ventures accounted for using equity method (Note 12)	<u>6,133</u>	<u>-</u>	<u>5,162</u>	<u>-</u>
Total non-operating income and expenses	<u>24,826</u>	<u>1</u>	<u>16,572</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	882,937	23	701,960	25
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(153,651)</u>	<u>(4)</u>	<u>(135,348)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>729,286</u>	<u>19</u>	<u>566,612</u>	<u>20</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
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>(1,040,094)</u>	<u>(27)</u>	<u>521,330</u>	<u>18</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ (310,808)</u>	<u>(8)</u>	<u>\$ 1,087,942</u>	<u>38</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 March 31			
	2025		2024	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 622,446	16	\$ 482,874	17
Non-controlling interests	<u>106,840</u>	<u>3</u>	<u>83,738</u>	<u>3</u>
	<u>\$ 729,286</u>	<u>19</u>	<u>\$ 566,612</u>	<u>20</u>
TOTAL COMPREHENSIVE (LOSS) INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ (414,059)	(11)	\$ 978,265	34
Non-controlling interests	<u>103,251</u>	<u>3</u>	<u>109,677</u>	<u>4</u>
	<u>\$ (310,808)</u>	<u>(8)</u>	<u>\$ 1,087,942</u>	<u>38</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.49</u>		<u>\$ 1.16</u>	
Diluted	<u>\$ 1.49</u>		<u>\$ 1.16</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							Total	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings		Other Equity				
	Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE ON 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
Net profit for the three months ended March 31, 2024	-	-	-	-	482,874	-	-	482,874	83,738	566,612
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	495,391	495,391	25,939	521,330
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	482,874	-	495,391	978,265	109,677	1,087,942
BALANCE ON MARCH 31, 2024	417,091	\$ 4,170,915	\$ 1,319,674	\$ 2,708,324	\$ 10,080,207	\$ (666)	\$ 7,009,852	\$ 25,288,306	\$ 3,620,669	\$ 28,908,975
BALANCE ON JANUARY 1, 2025	417,091	\$ 4,170,915	\$ 1,319,721	\$ 3,092,621	\$ 8,976,032	\$ (160)	\$ 10,784,979	\$ 28,344,108	\$ 3,447,279	\$ 31,791,387
Other changes in capital surplus	-	-	39	-	-	-	-	39	-	39
Net profit for the three months ended March 31, 2025	-	-	-	-	622,446	-	-	622,446	106,840	729,286
Other comprehensive loss for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	(1,036,505)	(1,036,505)	(3,589)	(1,040,094)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	622,446	-	(1,036,505)	(414,059)	103,251	(310,808)
BALANCE ON MARCH 31, 2025	417,091	\$ 4,170,915	\$ 1,319,760	\$ 3,092,621	\$ 9,598,478	\$ (160)	\$ 9,748,474	\$ 27,930,088	\$ 3,550,530	\$ 31,480,618

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 Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 882,937	\$ 701,960
Adjustments for:		
Depreciation expense	90,948	62,707
Amortization expense	72,814	69,254
Expected credit reversed gain recognized on trade receivables	(8,456)	(14,097)
Finance costs	13,568	14,378
Interest income	(17,594)	(22,640)
Share of profit of associates and joint ventures accounted for using equity method	(6,133)	(5,162)
Gain on disposal of property, plant and equipment	(155)	(90)
Net loss on disposal of inventories	1,313	-
Gain on lease modification	(23)	(12)
Changes in operating assets and liabilities		
Contract assets	(216,207)	(366,994)
Notes receivable	8,745	(102,708)
Trade receivables	(227,746)	(340,256)
Other receivables	10,702	8,308
Inventories	190,673	(246,535)
Other current assets	(36,006)	48,430
Net defined benefit assets	518	724
Other non-current assets	99	(1,600)
Contract liabilities	(625,448)	373,399
Notes payable	50,566	30,103
Trade payables	(272,576)	180,370
Other payables	11,560	44,947
Provisions	(16,679)	2,585
Other current liabilities	(15,506)	(11,172)
Net defined benefit liabilities	(17)	(27)
Other non-current liabilities	(230)	1,228
Cash (used in) generated from operations	(108,333)	427,100
Interest received	17,956	21,479
Interest paid	(13,770)	(13,822)
Income tax paid	(36)	(1,955)
Net cash (used in) generated from operating activities	(104,183)	432,802

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ -	\$ (226,475)
Proceeds from disposal of financial assets at amortized cost	128,696	-
Payments for property, plant and equipment	(198,159)	(316,890)
Proceeds from disposal of property, plant and equipment	155	1,081
Increase in refundable deposits	(3,717)	(2,994)
Payments for intangible assets	<u>(177,981)</u>	<u>(273,719)</u>
Net cash used in investing activities	<u>(251,006)</u>	<u>(818,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	100,000
Increase in guarantee deposits	20,801	-
Decrease in guarantee deposits	-	(5,620)
Repayment of principal portion of lease liabilities	(6,449)	(5,584)
Exercise the right of inclusion	<u>39</u>	<u>-</u>
Net cash generated from financing activities	<u>14,391</u>	<u>88,796</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(340,798)	(297,399)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,991,237</u>	<u>3,020,667</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>\$ 1,650,439</u></u>	<u><u>\$ 2,723,268</u></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 THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (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 May 12, 2025.

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).

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” 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 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance.

- 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" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	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 the 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 4 for detailed information on subsidiaries (including 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, 2024.

1) 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.

2) 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, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 3,198	\$ 3,188	\$ 3,271
Checking accounts and demand deposits	171,390	243,822	300,581
Cash equivalents			
Time deposits	888,700	1,033,323	1,963,212
Commercial paper	<u>587,151</u>	<u>710,904</u>	<u>456,204</u>
	<u>\$ 1,650,439</u>	<u>\$ 1,991,237</u>	<u>\$ 2,723,268</u>

7. FINANCIAL ASSETS AT FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 12,398,216	\$ 13,243,622	\$ 9,946,194
Unlisted shares	1,679,985	1,884,624	1,478,924
Foreign investments			
Unlisted shares	<u>209,378</u>	<u>199,427</u>	<u>186,804</u>
	<u>\$ 14,287,579</u>	<u>\$ 15,327,673</u>	<u>\$ 11,611,922</u>

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic investments			
Restricted bank deposits	\$ 109,472	\$ 12,271	\$ 13,918
Time deposits with original maturities of more than 3 months	<u>2,680,113</u>	<u>2,906,010</u>	<u>3,503,602</u>
	<u>\$ 2,789,585</u>	<u>\$ 2,918,281</u>	<u>\$ 3,517,520</u>
<u>Non-current</u>			
Domestic investments			
Pledge deposits	<u>\$ 47,801</u>	<u>\$ 47,801</u>	<u>\$ 400,036</u>

Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables (including trade receivables from related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 1,435,246	\$ 1,207,500	\$ 1,195,532
Less: Allowance for impairment loss	<u>(7,013)</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,428,233</u>	<u>\$ 1,207,500</u>	<u>\$ 1,195,532</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 120 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.

March 31, 2025

	Amount Without Sign of Default				Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	
Expected credit loss rate	0.03%	1.81%	8.70%	100.00%	
Gross carrying amount	\$ 1,346,429	\$ 54,403	\$ 31,567	\$ 2,847	\$ 1,435,246
Loss allowance (Lifetime ECLs)	(435)	(985)	(2,746)	(2,847)	(7,013)
Amortized cost	<u>\$ 1,345,994</u>	<u>\$ 53,418</u>	<u>\$ 28,821</u>	<u>\$ -</u>	<u>\$ 1,428,233</u>

December 31, 2024

	Amount Without Sign of Default				Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 1,173,012	\$ 33,416	\$ 1,072	\$ -	\$ 1,207,500
Loss allowance (Lifetime ECLs)	-	-	-	-	-
Amortized cost	<u>\$ 1,173,012</u>	<u>\$ 33,416</u>	<u>\$ 1,072</u>	<u>\$ -</u>	<u>\$ 1,207,500</u>

March 31, 2024

	Amount Without Sign of Default				Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 1,124,564	\$ 70,968	\$ -	\$ -	\$ 1,195,532
Loss allowance (Lifetime ECLs)	-	-	-	-	-
Amortized cost	<u>\$ 1,124,564</u>	<u>\$ 70,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,195,532</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 Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ -	\$ 48
Add: Loss allowance recognized (reversed)	<u>7,013</u>	<u>(48)</u>
Balance on March 31	<u>\$ 7,013</u>	<u>\$ -</u>

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw material	\$ 4,291,773	\$ 4,537,921	\$ 4,133,276
Supplies	17,501	26,093	28,694
Inventory in transit	<u>62,754</u>	<u>-</u>	<u>14,264</u>
	<u>\$ 4,372,028</u>	<u>\$ 4,564,014</u>	<u>\$ 4,176,234</u>

The costs of inventories recognized as operating cost for the three months ended March 31, 2025 and 2024 were \$2,337,128 thousand and \$1,552,057 thousand, respectively. The operating costs, which included the inventory write-downs, for the three months ended March 31, 2025 was \$1,313 thousand.

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
			March 31, 2025	December 31, 2024	March 31, 2024	
The parent company	Hsin Yung Enterprise Corporation	Waste treatment, disposal and cogeneration	72.36%	72.36%	68.46%	Note 1
The parent company	Super Max Engineering Enterprise Co., Ltd.	Waste collection, treatment and disposal	48.13%	48.13%	48.13%	Note 2
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%	-

Note 1: In December 2024, the Company acquired an additional ownership interest in its subsidiary, Hsin Yung Enterprise Corporation, for a total consideration of \$248,908 thousand, resulting in an increase in the ownership interest from 68.46% to 72.36%. Details of above transactions are disclosed in Note 29.

Note 2: 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

	March 31, 2025	December 31, 2024	March 31, 2024
Associates that are not individually material			
Kun Lin Engineering Co., Ltd.	\$ 181,470	\$ 175,337	\$ 173,072

	Proportion of Ownership and Voting Rights		
	December 31,		
Name of Associate	March 31, 2025	2024	March 31, 2024
Kun Lin Engineering Co., Ltd.	50%	50%	50%

Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2025	2024
The Group's share of:		
Net income for the period	\$ 6,133	\$ 5,162

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 on January 1, 2025	\$ 1,797,045	\$ 167,279	\$ 2,588,198	\$ 4,780,924	\$ 138,181	\$ 133,457	\$ 837,670	\$ 10,442,754
Additions	-	420	4,925	74,873	4,345	5,199	40,552	130,314
Disposals	-	-	(105)	(62,537)	(1,426)	(8)	-	(64,076)
Reclassification	-	-	-	570,809	(19,352)	-	-	551,457
Balance on March 31, 2025	\$ 1,797,045	\$ 167,699	\$ 2,593,018	\$ 5,364,069	\$ 121,748	\$ 138,648	\$ 878,222	\$ 11,060,449
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ -	\$ 148,044	\$ 2,035,682	\$ 3,527,056	\$ 95,064	\$ 85,821	\$ -	\$ 5,891,667
Disposals	-	-	(105)	(62,537)	(1,426)	(8)	-	(64,076)
Depreciation expense	-	890	15,385	58,733	3,012	4,085	-	82,105
Reclassification	-	-	-	-	(13,788)	-	-	(13,788)
Balance on March 31, 2025	\$ -	\$ 148,934	\$ 2,050,962	\$ 3,523,252	\$ 82,862	\$ 89,898	\$ -	\$ 5,895,908
Carrying amount on March 31, 2025	\$ 1,797,045	\$ 18,765	\$ 542,056	\$ 1,840,817	\$ 38,886	\$ 48,750	\$ 878,222	\$ 5,164,541
Carrying amount on January 1, 2025	\$ 1,797,045	\$ 19,235	\$ 552,516	\$ 1,253,868	\$ 43,117	\$ 47,636	\$ 837,670	\$ 4,551,087
<u>Cost</u>								
Balance on 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	948	55,073	1,450	6,436	58,661	123,034
Disposals	-	-	-	(842,270)	(8,410)	(2,577)	-	(853,257)
Reclassification	-	2,213	1,036	63,084	-	1,804	(1,036)	67,101
Balance on March 31, 2024	\$ 1,797,045	\$ 167,279	\$ 2,570,460	\$ 4,473,588	\$ 134,089	\$ 256,698	\$ 678,491	\$ 10,077,650

(Continued)

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment to Be Inspected	Total
Accumulated depreciation and impairment								
Balance on January 1, 2024	\$ -	\$ 144,404	\$ 1,975,470	\$ 4,519,890	\$ 100,287	\$ 76,946	\$ -	\$ 6,816,997
Disposals	-	-	-	(842,270)	(7,419)	(2,577)	-	(852,266)
Depreciation expense	-	954	15,579	31,708	3,398	3,470	-	55,109
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 145,358</u>	<u>\$ 1,991,049</u>	<u>\$ 3,709,328</u>	<u>\$ 96,266</u>	<u>\$ 77,839</u>	<u>\$ -</u>	<u>\$ 6,019,840</u>
Carrying amount on March 31, 2024	<u>\$ 1,797,045</u>	<u>\$ 21,921</u>	<u>\$ 579,411</u>	<u>\$ 764,260</u>	<u>\$ 37,823</u>	<u>\$ 178,859</u>	<u>\$ 678,491</u>	<u>\$ 4,057,810</u>

(Concluded)

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

Land improvements	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 33.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 109,221	\$ 118,995	\$ 38,593
Buildings	7,605	8,450	-
Other equipment	<u>1,430</u>	<u>1,602</u>	<u>73</u>
	<u>\$ 118,256</u>	<u>\$ 129,047</u>	<u>\$ 38,666</u>
		For the Three Months Ended March 31	
		2025	2024
Additions to right-of-use assets		<u>\$ -</u>	<u>\$ 12,979</u>
Depreciation charge for right-of-use assets			
Land		\$ 7,326	\$ 6,878
Buildings		845	-
Other equipment		<u>172</u>	<u>219</u>
		<u>\$ 8,343</u>	<u>\$ 7,097</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 three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	\$ 27,522	\$ 30,942	\$ 21,535
Non-current	\$ 90,006	\$ 95,506	\$ 14,770

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	1.192%-1.993%	1.192%-1.993%	0.878%-1.838%

c. Material leasing activities and terms

The Group leases land, buildings and equipments 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 March 31	
	2025	2024
Expenses relating to short-term leases and low-value asset leases	\$ 5,487	\$ 5,092
Total cash outflow for leases	\$ 12,522	\$ 10,796

15. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance on January 1, 2025	\$ 292,655
Additions	-
Balance on March 31, 2025	\$ 292,655
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2025	\$ (195,853)
Depreciation expense	(500)
Balance on March 31, 2025	\$ (196,353)
Carrying amount on March 31, 2025	\$ 96,302
Carrying amount on January 1, 2025	\$ 96,802

(Continued)

	Amount
<u>Cost</u>	
Balance on January 1, 2024	\$ 292,655
Additions	<u>-</u>
Balance on March 31, 2024	<u>\$ 292,655</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2024	\$ (193,851)
Depreciation expense	<u>(501)</u>
Balance on March 31, 2024	<u>\$ (194,352)</u>
Carrying amount on March 31, 2024	<u>\$ 98,303</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, 2024 and 2023 were \$198,782 thousand and \$174,572 thousand, respectively. Comparing December 31, 2024 and 2023, there were no significant changes in the fair value of March 31, 2025 and 2024.

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 33.

16. INTANGIBLE ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Service concession arrangements*	\$ 5,312,580	\$ 5,384,050	\$ 5,485,053
Computer software	<u>7,207</u>	<u>8,244</u>	<u>5,923</u>
	<u>\$ 5,319,787</u>	<u>\$ 5,392,294</u>	<u>\$ 5,490,976</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. Ever Ecove Corporation has obtained letters of permission from the Taoyuan City Government to operate the Taoyuan City Biomass Energy Center for heat treatment and the anaerobic digestion system on December 29, 2023 and February 3, 2025. 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.

17. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepaid expenses	\$ 48,245	\$ 32,500	\$ 35,608
Prepayments	35,676	6,176	3,450
Tax credits	<u>1,119</u>	<u>10,358</u>	<u>7,625</u>
	<u>\$ 85,040</u>	<u>\$ 49,034</u>	<u>\$ 46,683</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 50,673	\$ 617,080	\$ 560,051
Others	<u>1,193</u>	<u>1,292</u>	<u>1,600</u>
	<u>\$ 51,866</u>	<u>\$ 618,372</u>	<u>\$ 561,651</u>

18. LONG-TERM BORROWINGS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>			
Bank loans	\$ 2,430,000	\$ 2,430,000	\$ 2,930,000
Less: Current portion of long-term borrowing	<u>(194,400)</u>	<u>(194,400)</u>	<u>-</u>
	<u>\$ 2,235,600</u>	<u>\$ 2,235,600</u>	<u>\$ 2,930,000</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%	2.02%	1.90%

Refer to Note 33 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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Payables for purchase of equipment	\$ 287,049	\$ 528,166	\$ 493,646
Payables for royalties	225,885	170,409	60,474
Payables for salaries or bonus	37,785	-	52,950
Payables for transportation fees	35,990	36,664	24,167
Payables for annual leave	32,745	44,064	30,643
Payables for rebate or reward	18,003	9,750	67,653
Payables for insurance expenses	17,096	16,684	15,602
Payables for compensation of employees and remuneration of directors	10,560	43,420	10,218
Others	<u>94,456</u>	<u>140,575</u>	<u>103,797</u>
	<u>\$ 759,569</u>	<u>\$ 989,732</u>	<u>\$ 800,567</u>
<u>Non-current</u>			
Other non-current liabilities			
Long-term payables*	\$ 48,940	\$ 48,940	\$ 52,005
Others	<u>18,983</u>	<u>24,777</u>	<u>28,736</u>
	<u>\$ 67,923</u>	<u>\$ 73,717</u>	<u>\$ 80,741</u>

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

21. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Warranties (a)	\$ 66,771	\$ 73,300	\$ 67,131
Others	<u>23,500</u>	<u>33,650</u>	<u>19,850</u>
	<u>\$ 90,271</u>	<u>\$ 106,950</u>	<u>\$ 86,981</u>
<u>Non-current</u>			
Replacement (b)	<u>\$ 115,689</u>	<u>\$ 115,285</u>	<u>\$ 114,083</u>

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

22. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans were \$972 thousand and \$1,234 thousand for the three months ended March 31, 2025 and 2024, respectively, and were calculated using the respective year's actuarially determined pension cost discount rate as of December 31, 2024 and 2023.

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>March 31, 2025</u>			
Assets			
Notes receivable	\$ 57,754	\$ -	\$ 57,754
Trade receivables	1,034,824	-	1,034,824
Inventories	4,352,961	-	4,352,961
Contract assets - current	<u>2,413,452</u>	<u>1,098,690</u>	<u>3,512,142</u>
	<u>\$ 7,858,991</u>	<u>\$ 1,098,690</u>	<u>\$ 8,957,681</u>
Liabilities			
Notes payable	\$ 364,551	\$ -	\$ 364,551
Trade payables	1,128,958	195,560	1,324,518
Contract liabilities - current	<u>1,646,823</u>	<u>-</u>	<u>1,646,823</u>
	<u>\$ 3,140,332</u>	<u>\$ 195,560</u>	<u>\$ 3,335,892</u>
<u>December 31, 2024</u>			
Assets			
Notes receivable	\$ 65,299	\$ -	\$ 65,299
Trade receivables	831,799	-	831,799
Inventories	4,536,520	-	4,536,520
Contract assets - current	<u>2,010,973</u>	<u>1,316,773</u>	<u>3,327,746</u>
	<u>\$ 7,444,591</u>	<u>\$ 1,316,773</u>	<u>\$ 8,761,364</u>

(Continued)

	Within 1 Year	More Than 1 Year	Total
Liabilities			
Notes payable	\$ 315,766	\$ -	\$ 315,766
Trade payables	1,269,249	169,387	1,438,636
Contract liabilities - current	<u>2,278,483</u>	<u>-</u>	<u>2,278,483</u>
	<u>\$ 3,863,498</u>	<u>\$ 169,387</u>	<u>\$ 4,032,885</u>

March 31, 2024

Assets			
Notes receivable	\$ 144,075	\$ -	\$ 144,075
Trade receivables	876,853	-	876,853
Inventories	4,150,864	-	4,150,864
Contract assets - current	<u>2,110,835</u>	<u>946,622</u>	<u>3,057,457</u>
	<u>\$ 7,282,627</u>	<u>\$ 946,622</u>	<u>\$ 8,229,249</u>

Liabilities			
Notes payable	\$ 276,907	\$ -	\$ 276,907
Trade payables	1,026,511	125,465	1,151,976
Contract liabilities - current	<u>2,181,533</u>	<u>-</u>	<u>2,181,533</u>
	<u>\$ 3,484,951</u>	<u>\$ 125,465</u>	<u>\$ 3,610,416</u>

(Concluded)

24. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
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

	March 31, 2025	December 31, 2024	March 31, 2024
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
<u>May only be used to offset a deficit</u>			
Changes in ownership interests in subsidiaries			
(2)	8,510	8,510	8,510
Others	<u>634</u>	<u>595</u>	<u>548</u>
	<u>\$ 1,319,760</u>	<u>\$ 1,319,721</u>	<u>\$ 1,319,674</u>

- 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 dividends policy

Under the dividends 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 dividends 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 2024 and 2023 which were approved in the board of directors and shareholders' meetings on March 13, 2025 and May 27, 2024. respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2024	2023	2024	2023
Legal reserve	\$ 247,409	\$ 384,297		
Cash dividends	2,085,457	2,711,095	\$ 5.0	\$ 6.5

The appropriation of earnings for 2024 is pending approval at the shareholders' meeting to be held on May 28, 2025.

25. REVENUE

	For the Three Months Ended	
	March 31	
	2025	2024
Construction contract revenue	\$ 2,916,821	\$ 2,075,130
Revenue from waste treatment	581,849	459,316
Energy revenue	331,579	271,728
Revenue from containers repair	<u>52,022</u>	<u>43,398</u>
	<u>\$ 3,882,271</u>	<u>\$ 2,849,572</u>

a. Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Contract assets				
Properties construction	\$ 1,501,218	\$ 1,412,104	\$ 1,244,817	\$ 788,509
Retention receivable	2,019,339	1,939,526	1,842,740	1,985,238
Waste treatment	47,280	-	53,184	-
Less: Allowance for impairment loss	<u>(8,415)</u>	<u>(23,884)</u>	<u>(30,100)</u>	<u>(44,149)</u>
	<u>\$ 3,559,422</u>	<u>\$ 3,327,746</u>	<u>\$ 3,110,641</u>	<u>\$ 2,729,598</u>
Contract liabilities				
Properties construction	\$ 1,646,823	\$ 2,278,483	\$ 2,181,533	\$ 1,819,757
Waste treatment	<u>11,510</u>	<u>5,298</u>	<u>25,843</u>	<u>14,220</u>
	<u>\$ 1,658,333</u>	<u>\$ 2,283,781</u>	<u>\$ 2,207,376</u>	<u>\$ 1,833,977</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 23,884	\$ 44,149
Add: Net remeasurement of loss allowance reversed	<u>(15,469)</u>	<u>(14,049)</u>
Balance on March 31	<u>\$ 8,415</u>	<u>\$ 30,100</u>

b. Partially completed contracts

As of March 31, 2025, December 31, 2024 and March 31, 2024, the transaction price allocated to contract performance obligations that have not been completed totaled \$20,950,720 thousand, \$21,368,004 thousand and \$21,003,227 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 June 2027.

26. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	For the Three Months Ended March 31	
	2025	2024
Rental income	\$ 1,530	\$ 1,553
Others (Note 32)	<u>12,939</u>	<u>1,550</u>
	<u>\$ 14,469</u>	<u>\$ 3,103</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Gain on disposal of property, plant and equipment	\$ 155	\$ 90
Net foreign exchange gains	141	1,870
Others	<u>(98)</u>	<u>(1,915)</u>
	<u>\$ 198</u>	<u>\$ 45</u>

c. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 12,578	\$ 13,860
Interest on lease liabilities	586	120
Interest on replacement provisions	<u>404</u>	<u>398</u>
	<u>\$ 13,568</u>	<u>\$ 14,378</u>

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	\$ 82,105	\$ 55,109
Right-of-use assets	8,343	7,097
Investment properties	500	501
Intangible assets	<u>72,814</u>	<u>69,254</u>
	<u>\$ 163,762</u>	<u>\$ 131,961</u>
An analysis of deprecation by function		
Operating costs	\$ 87,712	\$ 59,479
Operating expenses	<u>3,236</u>	<u>3,228</u>
	<u>\$ 90,948</u>	<u>\$ 62,707</u>
An analysis of amortization by function		
Operating costs	\$ 71,591	\$ 68,272
Operating expenses	<u>1,223</u>	<u>982</u>
	<u>\$ 72,814</u>	<u>\$ 69,254</u>

e. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 6,376	\$ 5,726
Defined benefit plans (Note 22)	972	1,234
Other employee benefits	<u>219,925</u>	<u>217,520</u>
Total employee benefits expense	<u>\$ 227,273</u>	<u>\$ 224,480</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 114,338	\$ 111,350
Operating expenses	<u>112,935</u>	<u>113,130</u>
	<u>\$ 227,273</u>	<u>\$ 224,480</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 three months ended March 31, 2025 and 2024, were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	0.50%	0.50%
Remuneration of directors	0.25%	0.31%

Amount

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	\$ 3,570	\$ 2,870
Remuneration of directors	1,750	1,750

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 2024 and 2023 that were resolved by the board of directors on March 13, 2025 and March 13, 2024, respectively, were as shown below:

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 15,000	\$ 20,450
Remuneration of directors	7,000	6,495

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, 2024 and 2023.

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 March 31	
	2025	2024
Current tax		
In respect of the current period	\$ 169,808	\$ 134,048
Equipment's investment tax credits	(7,231)	(8,281)
Shareholders' investment tax credits	<u>(20,200)</u>	<u>(4,872)</u>
	<u>142,377</u>	<u>120,895</u>
Deferred tax		
In respect of the current period	4,043	6,172
Equipment's investment tax credits	<u>7,231</u>	<u>8,281</u>
	<u>11,274</u>	<u>14,453</u>
Income tax expense recognized in profit or loss	<u>\$ 153,651</u>	<u>\$ 135,348</u>

b. Income tax assessments

The income tax of the Company through 2022 and the subsidiaries through 2022 and 2023 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	<u>\$ 1.49</u>	<u>\$ 1.16</u>
Diluted earnings per share	<u>\$ 1.49</u>	<u>\$ 1.16</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 March 31	
	2025	2024
Profit for the period attributable to owners of the Company	<u>\$ 622,446</u>	<u>\$ 482,874</u>

Shares

	Unit: In Thousand Shares	
	For the Three Months Ended	
	March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	417,091	417,091
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>160</u>	<u>154</u>
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	<u>417,251</u>	<u>417,245</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. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In December 2024, the Company acquired an additional ownership interest in its subsidiary, Hsin Yung Enterprise Corporation, for a total consideration of \$248,908 thousand, resulting in an increase in the ownership interest from 68.46% to 72.36%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

	Subsidiary
Consideration paid	\$ 248,908
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(150,018)
Reattribution of other equity to non-controlling interests	
Unrealized gain on financial assets at FVTOCI	<u>22,076</u>
Differences recognized from equity transactions	<u>\$ 120,966</u>
<u>Line items adjusted for equity transactions</u>	
Retained earnings	<u>\$ 120,966</u>

30. 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.

31. 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

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 12,398,216	\$ -	\$ -	\$ 12,398,216
Unlisted shares - ROC	-	-	1,679,985	1,679,985
Unlisted shares in other country	-	-	209,378	209,378
	<u>\$ 12,398,216</u>	<u>\$ -</u>	<u>\$ 1,889,363</u>	<u>\$ 14,287,579</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 13,243,622	\$ -	\$ -	\$ 13,243,622
Unlisted shares - ROC	-	-	1,884,624	1,884,624
Unlisted shares in other country	-	-	199,427	199,427
	<u>\$ 13,243,622</u>	<u>\$ -</u>	<u>\$ 2,084,051</u>	<u>\$ 15,327,673</u>

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 9,946,194	\$ -	\$ -	\$ 9,946,194
Unlisted shares - ROC	-	-	1,478,924	1,478,924
Unlisted shares in other country	-	-	186,804	186,804
	<u>\$ 9,946,194</u>	<u>\$ -</u>	<u>\$ 1,665,728</u>	<u>\$ 11,611,922</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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 6,006,278	\$ 6,271,131	\$ 8,028,133
Financial assets at FVTOCI			
Equity instruments	14,287,579	15,327,673	11,611,922
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	5,183,158	5,610,685	5,351,699
Lease liabilities	117,528	126,448	36,305

- 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 35.

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 Three Months Ended March 31		For the Three Months Ended March 31	
	2025	2024	2025	2024
Profit or loss	\$ (340)*	\$ 1,120*	\$ (1,063)*	\$ (1,399)*

	JPY Impact		RMB Impact	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2025	2024	2025	2024
Profit or loss	\$ (1,603)*	\$ (2,619)*	\$ (400)*	\$ (203)*

* 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.

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 2,629,820	\$ 2,623,575	\$ 3,771,874
Financial liabilities	117,528	126,448	36,305
Cash flow interest rate risk			
Financial assets	1,729,579	2,158,106	2,646,323
Financial liabilities	2,430,000	2,430,000	2,930,000

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 three months ended March 31, 2025 and 2024 would have decreased/increased by \$876 thousand and \$355 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 other comprehensive income for three months ended March 31, 2025 and 2024 would have increased/decreased by \$428,627 thousand and \$348,358 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 46% and 52% of total trade receivables as of March 31, 2025 and 2024, 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 March 31, 2025 and 2024, 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.

March 31, 2025

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,459,378	\$ 299,733	\$ 42,987
Lease liabilities	29,489	57,061	39,000
Variable interest rate liabilities	<u>242,504</u>	<u>930,748</u>	<u>1,538,992</u>
	<u>\$ 2,731,371</u>	<u>\$ 1,287,542</u>	<u>\$ 1,620,979</u>

December 31, 2024

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,971,396	\$ 252,760	\$ 42,987
Lease liabilities	33,079	60,680	41,340
Variable interest rate liabilities	<u>242,504</u>	<u>930,748</u>	<u>1,538,992</u>
	<u>\$ 3,246,979</u>	<u>\$ 1,244,188</u>	<u>\$ 1,623,319</u>

March 31, 2024

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,247,548	\$ 212,615	\$ 40,448
Lease liabilities	21,928	14,924	-
Variable interest rate liabilities	<u>27,835</u>	<u>1,129,105</u>	<u>2,120,998</u>
	<u>\$ 2,297,311</u>	<u>\$ 1,356,644</u>	<u>\$ 2,161,446</u>

b) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank facilities			
Amount used	\$ 1,038,726	\$ 1,151,829	\$ 734,732
Amount unused	<u>6,325,274</u>	<u>6,212,171</u>	<u>6,429,268</u>
	<u>\$ 7,364,000</u>	<u>\$ 7,364,000</u>	<u>\$ 7,164,000</u>
Secured bank facilities			
Amount used	\$ 3,280,000	\$ 3,280,000	\$ 2,930,000
Amount unused	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,450,000</u>
	<u>\$ 5,380,000</u>	<u>\$ 5,380,000</u>	<u>\$ 5,380,000</u>

32. 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

Related Party	Relationship with the Group
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
TSRC Corporation	Other related party
Kun Lin Engineering Co., Ltd.	Associate

b. Operating revenue

	Related Party	For the Three Months Ended March 31	
		2025	2024
	Investor that has significant influence over the Group	\$ 50,442	\$ 41,107
	Other related party	<u>62</u>	<u>94</u>
		<u>\$ 50,504</u>	<u>\$ 41,201</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 March 31	
		2025	2024
	Investor that has significant influence over the Group	<u>\$ 3</u>	<u>\$ -</u>

d. Purchases of goods and expenses

	Related Party	For the Three Months Ended March 31	
		2025	2024
	Investor that has significant influence over the Group	\$ 650	\$ 342
	Other related party	7,190	7,390
	Associate	<u>340</u>	<u>340</u>
		<u>\$ 8,180</u>	<u>\$ 8,072</u>

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

e. Contract assets

	Related Party	March 31, 2025	December 31,	March 31, 2024
			2024	
	Other related party	<u>\$ 16,980</u>	<u>\$ 16,980</u>	<u>\$ 23,696</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, impairment loss among all of \$894 thousand, were recognized for contract assets from related parties.

f. Receivables from related parties

Trade receivables

Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Investor that has significant influence over the Group	\$ 27,510	\$ 28,174	\$ 28,298
Other related party	<u>19</u>	<u>53</u>	<u>19</u>
	<u>\$ 27,529</u>	<u>\$ 28,227</u>	<u>\$ 28,317</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, impairment loss of \$12 thousand, \$0 thousand and \$0 thousand, respectively, were recognized for trade receivables from related parties.

The outstanding trade receivables from related parties are unsecured.

g. Payables to related parties

Notes payables

Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Investor that has significant influence over the Group	\$ 3	\$ 2	\$ -
Other related party	<u>67</u>	<u>260</u>	<u>-</u>
	<u>\$ 70</u>	<u>\$ 262</u>	<u>\$ -</u>

Trade payables

Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Other related party	<u>\$ 218</u>	<u>\$ 681</u>	<u>\$ 424</u>

Other payables

Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Investor that has significant influence over the Group	\$ 53	\$ 51	\$ 9
Other related party	<u>6,045</u>	<u>5,173</u>	<u>5,612</u>
	<u>\$ 6,098</u>	<u>\$ 5,224</u>	<u>\$ 5,621</u>

The outstanding trade payables to related parties are unsecured.

h. Lease arrangements

Line Item	Related Party	March 31	
		2025	2024
Lease liabilities - current	Investor that has significant influence over the Group	\$ 3,363	\$ -
Lease liabilities - non-current	Investor that has significant influence over the Group	<u>4,298</u>	<u>-</u>
		<u>\$ 7,661</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.

i. Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 12,677	\$ 12,438
Post-employment benefits	<u>92</u>	<u>91</u>
	<u>\$ 12,769</u>	<u>\$ 12,529</u>

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, issuance of a letter of credit, provisional attachment and performance guarantees, etc.:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant, and equipment, net	\$ 1,215,477	\$ 1,223,457	\$ 1,551,305
Investment properties	82,522	82,998	91,201
Financial assets at amortized cost	<u>157,273</u>	<u>60,072</u>	<u>413,954</u>
	<u>\$ 1,455,272</u>	<u>\$ 1,366,527</u>	<u>\$ 2,056,460</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

- a. As of March 31, 2025, December 31, 2024 and March 31, 2024, unused letters of credit for purchasing of materials were as follows:

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

Currency	March 31, 2025	December 31, 2024	March 31, 2024
NTD	\$ 754,957	\$ 561,617	\$ 776,270
USD	448	369	435

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

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

Currency	March 31, 2025	December 31, 2024	March 31, 2024
NTD	\$ 25,026	\$ 148,907	\$ 433,933
EUR	231	231	231

35. 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:

March 31, 2025

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 45	33.205 (USD:NTD)	\$ 1,495
JPY	546	0.2227 (JPY:NTD)	122
<u>Financial liabilities</u>			
Monetary items			
USD	250	33.205 (USD:NTD)	8,294
EUR	591	35.970 (EUR:NTD)	21,254
JPY	144,543	0.2227 (JPY:NTD)	32,190
RMB	1,750	4.573 (RMB:NTD)	8,003

December 31, 2024

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 6	32.785 (USD:NTD)	\$ 211
EUR	237	34.140 (EUR:NTD)	8,080
JPY	76,546	0.2099 (JPY:NTD)	16,067

Financial liabilities

Monetary items			
USD	364	32.785 (USD:NTD)	11,935
EUR	827	34.140 (EUR:NTD)	28,250
JPY	220,543	0.2099 (JPY:NTD)	46,292
RMB	1,025	4.478 (RMB:NTD)	4,591

March 31, 2024

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,050	32.00 (USD:NTD)	\$ 33,585
EUR	16	34.46 (EUR:NTD)	561
JPY	18,911	0.2115 (JPY:NTD)	4,009

Financial liabilities

Monetary items			
USD	350	32.00 (USD:NTD)	11,191
EUR	828	34.46 (EUR:NTD)	28,534
JPY	266,000	0.2115 (JPY:NTD)	56,392
RMB	922	4.408 (RMB:NTD)	4,065

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: (Table 1).
- 3) Significant marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): (Table 2).

- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
 - 6) Intercompany relationships and significant intercompany transactions (Table 3).
- b. Information on investees (Table 4).
- 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 5).
 - 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.

37. 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:

a. 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 three months ended March 31, 2025							
Revenue from external customers	\$ 2,919,869	\$ 402,348	\$ 144,275	\$ 363,757	\$ 52,022	\$ -	\$ 3,882,271
Inter-segment revenue	-	-	348	-	-	(348)	-
Segment revenue	<u>\$ 2,919,869</u>	<u>\$ 402,348</u>	<u>\$ 144,623</u>	<u>\$ 363,757</u>	<u>\$ 52,022</u>	<u>\$ (348)</u>	<u>\$ 3,882,271</u>
Segment income	<u>\$ 486,325</u>	<u>\$ 240,592</u>	<u>\$ 18,218</u>	<u>\$ 99,381</u>	<u>\$ 13,293</u>	<u>\$ 302</u>	\$ 858,111
Interest income							17,594
Other income							14,469
Other gains and losses							198
Finance costs							(13,568)
Share of profit of associates and joint ventures accounted for using equity method							6,133
Profit before tax							<u>\$ 882,937</u>
For the three months ended March 31, 2024							
Revenue from external customers	<u>\$ 2,076,530</u>	<u>\$ 224,743</u>	<u>\$ 129,528</u>	<u>\$ 375,373</u>	<u>\$ 43,398</u>	<u>\$ -</u>	<u>\$ 2,849,572</u>
Segment income	<u>\$ 427,262</u>	<u>\$ 116,462</u>	<u>\$ 19,024</u>	<u>\$ 115,429</u>	<u>\$ 6,951</u>	<u>\$ 260</u>	\$ 685,388
Interest income							22,640
Other income							3,103
Other gains and losses							45
Finance costs							(14,378)
Share of profit of associates and joint ventures accounted for using equity method							5,162
Profit before tax							<u>\$ 701,960</u>

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 and joint ventures 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.

b. Revenue from major products: Refer to Note 25.

c. Geographical information

The Group has no revenue-generating unit that operates outside the ROC; therefore, it is not necessary to disclose information that distinguishes revenue from external customers and non-current assets by location of assets.

TABLE 1

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 13,965,044	\$ 1,927,310	\$ 1,927,310	\$ 1,391,668	\$ -	6.90	\$ 13,965,044	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	13,965,044	257,876	257,876	138,164	-	0.92	13,965,044	-	-	-	Note 2
1	Ming Yu Investment Corporation	Evergreen Steel Corporation	Parent company	5,084,080	903,220	903,220	903,220	-	355.31	5,084,080	-	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

SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 2025

(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	March 31, 2025				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	\$ 7,956,022	3.63	\$ 7,956,022	
	Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Group	Financial assets at FVTOCI - non-current	15,304,681	3,374,682	0.71	3,374,682	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTOCI - non-current	16,000,000	427,200	0.28	427,200	
	Taiwan Terminal Services Corporation	Other related party	Financial assets at FVTOCI - non-current	100,000	1,355	1.00	1,355	
	Taiwan Aerospace Corporation	-	Financial assets at FVTOCI - non-current	5,502,847	84,964	4.06	84,964	
	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	72,740	10.90	72,740	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Other related party	Financial assets at FVTOCI - non-current	6,678,735	209,378	13.39	209,378	
	Dongwei Transportation Co., Ltd.	-	Financial assets at FVTOCI - non-current	660,000	6,211	18.86	6,211	
	Ever Accord Construction Corporation	Other related party	Financial assets at FVTOCI - non-current	9,074,965	264,898	12.50	264,898	
	UNI Airways Corporation	Other related party	Financial assets at FVTOCI - non-current	56,474,992	1,248,662	14.99	1,248,662	
	Evergreen Security Corporation	Other related party	Financial assets at FVTOCI - non-current	10,000	184	0.05	184	
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	636,257	0.13	636,257	
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	4,055	-	4,055	

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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	Super Max Engineering Enterprise Co., Ltd.	a	Other payables	\$ 365	According to mutual agreements	-
0	Evergreen Steel Corporation	Super Max Engineering Enterprise Co., Ltd.	a	Other expense	348	According to mutual agreements	0.01
0	Evergreen Steel Corporation	Ming Yu Investment Corporation	a	Other receivables	2,952	According to mutual agreements	0.01

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 period-end balance is shown as a percentage to the consolidated total assets as of March 31, 2025. For profit or loss items, cumulative amounts are shown as percentages to the consolidated total operating revenue for the period ended three months ended March 31, 2025.

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

TABLE 4

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ACCOUNTED FOR
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Losses) of the Investee	Share of Profits/ Losses of Investee	Note
				March 31, 2025	December 31, 2024	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	Taiwan	Waste treatment, disposal and cogeneration	\$ 1,241,574	\$ 1,241,574	104,923,577	72.36	\$ 2,284,987	\$ 197,925	\$ 143,221	Subsidiary
	Super Max Engineering Enterprise Co., Ltd.	Taiwan	Waste collection, treatment and disposal	594,441	594,441	24,147,144	48.13	1,055,298	23,585	11,351	Subsidiary
	Ever Ecove Corporation	Taiwan	Waste treatment, disposal and cogeneration	801,000	801,000	80,100,000	50.06	1,279,580	79,903	40,001	Subsidiary
	Ming Yu Investment Corporation	Taiwan	General investment activities	239,487	239,487	10,350,000	100.00	251,667	795	795	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	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	181,470	12,266	6,133	Accounted for using equity method

Note: Refer to Table 5 for information on investments in mainland China.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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, 2025	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profit (Loss) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025	Note
					Outflow	Inflow							
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	Design, manufacture and installation of waste water, waste gas equipment and various piping	\$ 13,282 (US\$ 400)	c	\$ 13,282 (US\$ 400)	\$ -	\$ -	\$ 13,282 (US\$ 400)	\$ 38 (RMB 8)	24.07	\$ -	\$ 31,206	\$ 83,744 (US\$ 2,522)	

Investor Company	Accumulated Investments in Mainland China as of March 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
Kun Lin Engineering Co., Ltd.	\$ 13,282 (US\$ 400)	\$ 13,282 (US\$ 400)	\$ 217,621

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.