China Ecotek Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

Address: 8F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City
Tel: (07)3336138

Independent Auditors’ Review Report

The Board of Directors and Shareholders

China Ecotek Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China Ecotek Corporation (The “Company”) and its subsidiaries as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024, and six months ended June 30, 2025 and 2024, and the consolidated statements of changes in equity and of cash flows for the the six months ended June 30, 2025 and 2024, and the notes to the the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Mangement 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 Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC) 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 reivews in accordance with the Standards on Review Enganements of the Republic of China 2410 “Review of Interim Financial Information Performaed 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 Company and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accountion Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Lee-Yuan Kuo and Chao-Chun Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 2025

<u>*Notice to Readers*</u>

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ 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’ report and consolidated financial statements shall prevail.

China Ecotek Corporation and Subsidiaries

Consolidated Balance Sheets

In Thousand of NTD

Code	Asset	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6 and 14)	$ 1,272,188	17	$ 1,203,566	17	$ 838,912	12
1110	Financial assets at fair value through profit or loss - current (Note 7)	12,889	-	48,193	1	65,270	1
1120	Financial assets at fair value through other comprehensive income - current (Notes 8)	21,620	-	22,597	-	26,565	-
1139	Financial assets for hedging - current (Note 12)	227,665	3	431,145	6	619,770	9
1140	Contract assets - current (Note 25)	1,199,908	16	1,262,978	18	1,084,431	16
1170	Accounts receivable, net (Note 9)	159,268	2	194,148	3	148,286	2
1180	Accounts receivable – related parties (Notes 9 and 31)	1,046,835	14	597,780	8	570,891	9
1200	Other receivables (Note 9)	110,269	2	50,687	1	144,548	2
1220	Current tax assets	963	-	917	-	858	-
130X	Inventories (Note 10)	26,251	1	26,711	-	32,139	1
1476	Other financial assets – current (Notes 12 and 32)	407,686	6	294,350	4	392,979	6
1479	Other current assets (Note 13)	115,837	2	137,654	2	178,771	3
11XX	Total current assets	4,601,379	63	4,270,726	60	4,103,420	61
	Noncurrent assets						
1510	Financial assets at fair value through profit or loss - noncurrent (Note 7)	25,863	-	25,823	-	27,216	-
1550	Investments accounted for using equity method (Note 11)	995,792	14	1,047,328	15	997,253	15
1600	Property, plant and equipment (Note 15)	744,880	10	742,384	10	670,028	10
1755	Right-of-use assets (Note 16)	64,548	1	78,188	1	76,213	1
1760	Investment properties (Notes17 and 31)	323,521	5	323,521	5	323,521	5
1780	Intangible assets	10,266	-	11,341	-	14,499	-
1840	Deferred tax assets	71,558	1	47,284	1	48,237	1
1915	Advance payments for equipment	476	-	1,728	-	-	-
1920	Refundable deposits	8,549	-	8,277	-	8,135	-
1980	Other financial assets – noncurrent (Note 12)	428,694	6	593,146	8	480,922	7
1995	Other noncurrent assets	7,320	-	7,684	-	7,299	-
15XX	Total noncurrent assets	2,681,467	37	2,886,704	40	2,653,323	39
1XXX	Total assets	$ 7,282,846	100	$ 7,157,430	100	$ 6,756,743	100
Code							
	Current liabilities						
2100	Short-term borrowings (Note 18)	$ -	-	$ 50,000	1	$ -	-
2130	Contract liabilities - current (Notes 14 and 25)	1,638,916	23	1,153,232	16	1,213,350	18
2170	Accounts payable (Note 19)	855,683	12	1,009,478	14	690,271	10
2180	Accounts payable - related parties (Notes 19 and 31)	9,488	-	17,900	-	28,644	-
2200	Other payables (Notes 14 and 20)	465,250	6	654,621	9	469,796	7
2216	Dividends payable (Note 24)	371,228	5	-	-	408,350	6
2230	Current tax liabilities	61,399	1	75,933	1	63,000	1
2250	Provisions - current (Note 21)	10,748	-	12,621	-	7,322	-
2280	Lease liabilities - current (Notes 16 and 31)	34,846	-	38,544	1	32,675	1
2399	Other current liabilities (Note 20)	114,075	2	138,268	2	89,766	1
21XX	Total current liabilities	3,561,633	49	3,150,597	44	3,003,174	44
	Noncurrent liabilities						
2527	Contract liabilities - noncurrent (Notes 14 and 25)	40,776	1	41,290	1	34,024	1
2570	Deferred tax liabilities	60,478	1	59,701	1	51,796	1
2580	Lease liabilities - noncurrent (Notes 16 and 31)	29,077	-	39,091	1	43,155	1
2640	Net defined benefit liability	122,201	2	124,237	1	145,248	2
25XX	Total noncurrent liabilities	252,532	4	264,319	4	274,223	5
2XXX	Total liabilities	3,814,165	53	3,414,916	48	3,277,397	49
	Equity (Note 24)						
3110	Capital – common stock	1,237,426	17	1,237,426	17	1,237,426	18
3200	Capital surplus	628,892	9	628,655	9	628,629	9
	Retained earnings						
3310	Legal reserve	834,560	11	780,991	11	780,991	12
3320	Special reserve	75,604	1	29,604	-	29,604	-
3350	Undistributed earnings	906,460	12	1,141,442	16	870,349	13
3300	Total retained earnings	1,816,624	24	1,952,037	27	1,680,944	25
3400	Other equity	(214,261)	(3)	(75,604)	(1)	(67,653)	(1)
3XXX	Total equity	3,468,681	47	3,742,514	52	3,479,346	51
	Total liabilities and equity interests	$ 7,282,846	100	$ 7,157,430	100	$ 6,756,743	100

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

Chairman: Ying-Pin Hsieh Managerial Officer: Yeong-Yuh Chiang Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income

In Thousand of NTD, Except EPS

Code		For the Three Months Ended June 30, 2025		For the Three Months Ended June 30, 2024		For the Six Months Ended June 30, 2025		For the Six Months Ended June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenues (Notes 14, 25 and 31)								
4100	Sales revenue	$ 26,582	1	$ 38,937	1	$ 85,738	2	$ 64,786	1
4500	Construction revenue	2,944,408	96	2,507,047	96	5,258,755	95	5,009,271	96
4600	Technical service revenue	98,664	3	73,454	3	194,960	3	149,520	3
4000	Total operating revenue	3,069,654	100	2,619,438	100	5,539,453	100	5,223,577	100
	Operating costs (Notes 10, 14, 26, and 31)								
5110	Cost of goods sold	21,532	1	30,517	1	68,206	1	48,757	1
5500	Construction costs	2,715,182	88	2,322,631	89	4,812,872	87	4,596,701	88
5600	Technical service costs	80,591	3	62,163	2	157,684	3	129,341	2
5000	Total operating costs	2,817,305	92	2,415,311	92	5,038,762	91	4,774,799	91
5900	Gross profit	252,349	8	204,127	8	500,691	9	448,778	9
5910	Less: Unrealized gain from sale	189	-	951	-	446	-	2,101	-
5920	Plus: Realized gain from sale	1,615	-	1,653	-	3,230	-	3,211	-
5950	Realized gross profit from operations	253,775	8	204,829	8	503,475	9	449,888	9
	Operating expenses (Notes 9, 26 and 31)								
6100	Selling expenses	16,350	-	9,862	-	31,892	1	18,266	-
6200	General and administrative expenses	120,969	4	114,734	5	250,253	4	240,080	5
6300	Research and development expenses	2,400	-	1,914	-	5,288	-	4,810	-
6450	Expected credit loss (reversed)	-	-	2	-	-	-	(1,047)	-
6000	Total operating expenses	139,719	4	126,512	5	287,433	5	262,109	5
6900	Operating profit	114,056	4	78,317	3	216,042	4	187,779	4
	Non-operating income and expenses (Notes11, 26 and 31)								
7100	Interest income	18,066	1	19,897	1	34,976	1	40,252	1
7010	Other income	3,140	-	4,574	-	6,205	-	23,815	-
7020	Other profits and losses	2,293	-	18,677	1	14,553	-	5,702	-
7050	Financial costs	(260)	-	(426)	-	(566)	-	(1,481)	-
7060	Share of the profit of associates	11,101	-	21,629	1	12,147	-	37,377	1
7000	Total	34,340	1	64,351	3	67,315	1	105,665	2

Code		For the Three Months Ended June 30, 2025 Amount	%	For the Three Months Ended June 30, 2024 Amount	%	For the Six Months Ended June 30, 2025 Amount	%	For the Six Months Ended June 30, 2024 Amount	%
7900	Profit before income tax	148,396	5	142,668	6	283,357	5	293,444	6
7950	Income tax expense (Notes 4 and 27)	26,098	1	21,741	1	51,797	1	52,823	1
8200	Net profit for the year	122,298	4	120,927	5	231,560	4	240,621	5
	Other comprehensive income (Notes 24 and 27)								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(4,140)	-	(2,977)	-	(977)	-	(60,866)	(1)
8317	Gains and losses on hedging instruments	(33,782)	(1)	482	-	(26,214)	-	14,007	-
8320	Share of the other comprehensive income of associates	(9,198)	-	6,092	-	(6,926)	-	2,109	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	6,757	-	(97)	-	5,243	-	19,444	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating foreign operations	(139,306)	(5)	(4,291)	-	(128,042)	(2)	13,450	-
8370	Share of the other comprehensive income of associates	(3,523)	-	1,001	-	(3,094)	-	472	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	27,861	1	858	-	25,608	-	(2,690)	-
8300	Other comprehensive income(loss) for the year, net of income tax	(155,331)	(5)	1,068	-	(134,402)	(2)	(14,074)	(1)
8500	Total comprehensive income in the current year	$ (33,033)	(1)	$ 121,995	5	$ 97,158	2	$ 226,547	4
8610	Net profit attributable to owners of the Corporation	$ 122,298		$ 120,927		$ 231,560		$ 240,621	
8710	Total comprehensive income attributable to owners of the Corporation	$ (33,033)		$ 121,995		$ 97,158		$ 226,547	
	Earnings per share (Note 28)								
9750	Basic	$ 0.99		$ 0.98		$ 1.87		$ 1.94	
9850	Diluted	0.99		0.98		1.87		1.94	

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

Chairman: Ying-Pin Hsieh Managerial Officer: Yeong-Yuh Chiang Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries
Consolidated Statements of Changes in Equity

In Thousand of NTD

Code		Equity attributable to owners of the Company											
		Capital - common stock			Retained earnings				Other equity				
		Shares (In thousand)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translating foreign operations	Unrealized gains and losses on financial assets at fair value through other comprehensive income	Gain and losses on hedging instruments	Total other equity	Total equity
A1	Balance at January 1, 2025	123,743	$ 1,237,426	$ 628,655	$ 780,991	$ 29,604	$ 1,141,442	$ 1,952,037	$ (59,307)	$ (24,070)	$ 7,773	$ (75,604)	$ 3,742,514
	Appropriation of 2024 earning (Note 24)												
B1	Legal reserve	-	-	-	53,569	-	(53,569)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	46,000	(46,000)	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(371,228)	(371,228)	-	-	-	-	(371,228)
		-	-	-	53,569	46,000	(470,797)	(371,228)	-	-	-	-	(371,228)
D1	Net profit for the six months ended June 30, 2025	-	-	-	-	-	231,560	231,560	-	-	-	-	231,560
D3	Other comprehensive income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	9	9	(105,528)	(6,577)	(22,306)	(134,411)	(134,402)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	231,569	231,569	(105,528)	(6,577)	(22,306)	(134,411)	97,158
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	4,246	4,246	-	(4,246)	-	(4,246)	-
T1	Adjustment from changes in equity of associate for using equity method	-	-	237	-	-	-	-	-	-	-	-	237
Z1	Balance at June 30, 2025	123,743	$ 1,237,426	$ 628,892	$ 834,560	$ 75,604	$ 906,460	$ 1,816,624	$ (164,835)	$ (34,893)	$ (14,533)	$ (214,261)	$ 3,468,681
A1	Balance at January 1, 2024	123,743	$ 1,237,426	$ 628,629	$ 725,889	$ -	$ 1,098,808	$ 1,824,697	$ (76,274)	$ 48,867	$ (2,197)	$ (29,604)	$ 3,661,148
	Appropriation of 2023 earning (Note 24)												
B1	Legal reserve	-	-	-	55,102	-	(55,102)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	29,604	(29,604)	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(408,350)	(408,350)	-	-	-	-	(408,350)
		-	-	-	55,102	29,604	(493,056)	(408,350)	-	-	-	-	(408,350)
D1	Net profit for the six months ended June 30, 2024	-	-	-	-	-	240,621	240,621	-	-	-	-	240,621
D3	Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	(1)	(1)	11,232	(35,909)	10,604	(14,073)	(14,074)
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	240,620	240,620	11,232	(35,909)	10,604	(14,073)	226,547
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	23,976	23,976	-	(23,976)	-	(23,976)	-
T1	Adjustment from changes in equity of associate for using equity method	-	-	-	-	-	1	1	-	-	-	-	1
Z1	Balance at June 30, 2024	123,743	$ 1,237,426	$ 628,629	$ 780,991	$ 29,604	$ 870,349	$ 1,680,944	$ (65,042)	$ (11,018)	$ 8,407	$ (67,653)	$ 3,479,346

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

Chairman: Ying-Pin Hsieh Managerial Officer: Yeong-Yuh Chiang Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries
Consolidated Cash Flow Statements

In Thousand of NTD

Code		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
	Cash flow from operating activities		
A10000	Profit before income tax	$ 283,357	$ 293,444
A20010	Adjustments for:		
A20100	Depreciation expense	41,517	34,126
A20200	Amortization expense	4,394	4,935
A20300	Expected credit loss reversed	-	(1,047)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(16,988)	(4,119)
A20900	Financial costs	566	1,481
A21200	Interest income	(34,976)	(40,252)
A21300	Dividend income	-	(17,454)
A22300	Share of the profit of associates	(12,147)	(37,377)
A22500	Gain on disposal of property, plant and equipment	-	(84)
A23700	Gain from price recovery of inventory	(2,384)	-
A23900	Unrealized sales margin	446	2,101
A24000	Realized sales margin	(3,230)	(3,211)
A29900	Recognition of provisions	120	534
A29900	Others	-	(3)
A30000	Net changes in operating assets and liabilities		
A31120	Hedging financial assets	177,266	323,497
A31125	Contract assets	63,070	190,452
A31150	Accounts receivable	34,880	(92,628)
A31160	Accounts receivable – related parties	(449,055)	19,580
A31180	Other receivables	(3,848)	3,361
A31200	Inventories	3,071	(18,834)
A31240	Other current assets	26,328	16,871
A32125	Contract liabilities	485,170	132,317
A32150	Accounts payable	(153,795)	(166,272)
A32160	Accounts payable - related parties	(8,412)	13,226
A32180	Other payables	(169,616)	(147,189)
A32200	Provisions	(1,987)	(2,077)
A32230	Other current liabilities	(18,199)	(16,559)
A32240	Net defined benefit liability	(2,036)	(6,520)
A33000	Cash generated from operations	243,512	482,299
A33500	Income taxes paid	(56,296)	(72,543)
AAAA	Net cash generated from operating activities	187,216	409,756
	Cash flow from investing activities		

Code		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
B00100	Acquisition of financial assets at fair value through profit or loss	(13,747)	(25,918)
B00200	Disposal of financial assets at fair value through profit or loss	65,999	54,512
B00030	Proceeds from capital reduction on financial assets at fair value through other comprehensive income	-	70,652
B02700	Acquisition of property, plant and equipment	(43,675)	(81,513)
B02800	Proceeds from disposal of property, plant and equipment	-	84
B03700	Increase in refundable deposits	(4,783)	(510)
B04500	Acquisition of intangible assets	(3,325)	(8,076)
B06500	Increase in other financial assets	-	(112,986)
B06600	Decrease in other financial assets	51,116	-
B06800	Decrease in other noncurrent assets	364	338
B07500	Interest received	35,926	58,510
B07600	Other dividends received	-	17,454
BBBB	Net cash generated (used) in investing activities	87,875	(27,453)
	Cash flow from financing activities		
C00200	Decrease in short-term borrowings	(50,000)	(100,000)
C03000	Increase in guarantee deposit received	-	12,985
C03100	Decrease in guarantee deposit received	(5,994)	-
C04020	Repayment of principal of lease liabilities	(19,120)	(19,133)
C05600	Interest paid	(638)	(1,504)
CCCC	Net cash used in financing activities	(75,752)	(107,652)
DDDD	Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(130,717)	13,527
EEEE	Net increase in cash and cash equivalents	68,622	288,178
E00100	Cash and cash equivalents, beginning of period	1,203,566	550,734
E00200	Cash and cash equivalents, end of period	$ 1,272,188	$ 838,912

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

Chairman: Ying-Pin Hsieh Managerial Officer: Yeong-Yuh Chiang Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
For the Six Months ended June 30, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Company History

China Ecotek Corporation (the "Company") was established in March 1993, and its main shareholder is China Steel Corporation (owned 44.76% shares of the Company's voting shares; parent company has substantive control over the Company). The Company mainly engages in the planning, design, installation, maintenance, and environmental impact assessment for environmental protection equipment, co-generation equipment, and steel industry equipment. The shares of the Company have been listed on the Taiwan Stock Exchange since September 2001.

The financial statements are presented in the Company's function currency, the New Taiwan dollars.

2. Date and Procedures of Approval of the Financial Statements

The consolidated financial statements were approved by the board of directors and authorized for issue on August 5, 2025.

3. Application of New, Amended and revised standards, and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Corporation and its subsidiaries' accounting policies.

(II) The IFRSs 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.

(III) The IFRSs 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

New, Amended and Revised Standards and Interpretations	Effective date Announced by IASB (Note)
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 IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

1. Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
2. 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.
3. 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.
4. 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 passed by the Board of Directors and released, the Company and Subsidiaries are still assessing the impact of other amendments to standards and interpretations on its financial position and financial performance, and will disclose the relevant impact once assessment is completed.

4. Summary of Significant Accounting Policies

For reader's convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version preapared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the consolidated financial statements shall prevail.

(I) Statement of compliance

The 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. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual financial statements.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities 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).
3. Level 3 inputs are unobservable inputs for an asset or liability.

(III) Basis of consolidation

The consolidated entities were as follows:

			Shareholding (%)		
Investor	Name of subsidiary	Main Businesses	June 30, 2025	December 31, 2024	June 30, 2024
The Company	CEC International Corporation (CIC)	General investment	100	100	100
	CEC Development Corporation (CDC)	General investment	100	100	100
	China Ecotek India Private Limited	Construction engineering	0.1	0.1	0.1

Investor	Name of subsidiary	Main Businesses	Shareholding (%) June 30, 2025	December 31, 2024	June 30, 2024
CIC company	China Ecotek India Private Limited	Construction engineering	99.9	99.9	99.9
CDC company	Xiamen Ecotek PRC Company Limited	Sales agency for import and export of equipment and materials	100	100	100
	China Ecotek Vietnam Company Limited (CEVC)	Construction engineering	100	100	100

(IV) Other significant accounting policies

Except for the following, refer to the summary of accounting ploicies and basis of preparation in the concolidated financial statements for the year end December 31, 2024.

i. Post-employment benefit

Pension cost for an interim period is calculated on a years-to-date basis by 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.

ii. Taxation

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 on an interim period’s pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

5. Critical accounting judgments and key sources of estimation uncertainty

The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 1,299	$ 1,416	$ 1,815
Checking accounts and demand deposits	140,768	219,166	257,703
Cash equivalents (investments with original maturities of less than 3 months)			
Commercial papers	1,125,000	875,000	570,000
Time deposits	5,121	107,984	9,394
	$ 1,272,188	$ 1,203,566	$ 838,912

7. Financial assets at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Mandatorily measure at FVTPL			
Non-derivative financial assets			
Emerging market shares in Taiwan	$ 5,203	$ 48,193	$ 65,270
OTC market shares in Taiwan	7,686	-	-
	$ 12,889	$ 48,193	$ 65,270
Noncurrent			
Mandatorily measure at FVTPL			
Non-derivative financial assets			
Unlisted shares in Taiwan	$ 25,863	$ 25,823	$ 27,216

8. Financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Equity instrument investments			
Listed shares in Taiwan	$ 21,620	$ 22,597	$ 26,565

9. Notes, Accounts receivable and other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable (including related parties)			
Measured at amortized cost	$ 1,206,103	$ 791,928	$ 719,177
Other receivables			
Dividend receivable	$ 56,686	$ -	$ 108,281
Interest receivable	49,733	50,683	35,981
Others	3,850	4	286
	$ 110,269	$ 50,687	$ 144,548

(I) Accounts receivable

The Company and Subsidiaries' accounts receivable are measured at amortized cost. The Company and Subsidiaries' make prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Company and Subsidiaries' continue to manage the financial condition and entire credit risk of their customers, and obtain enough collateral if needed to mitigate the risk of financial loss from late payment.

The Company and Subsidiaries' continue to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Company and Subsidiaries' review the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables.

The expected credit losses on accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and direction of economic conditions at the reporting date.

The Company and Subsidiaries' write 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. For trade receivables that have been written off, the Company and Subsidiaries' continue 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 loss allowance of accounts receivable based on the impaired aging analysis.

June 30, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 1,190,870	$ 5,463	$ 9,186	$ 584	$ -	$ 1,206,103
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 1,190,870	$ 5,463	$ 9,186	$ 584	$ -	$ 1,206,103

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 789,964	$ 1,678	$ 86	$ 200	$ -	$ 791,928
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 789,964	$ 1,678	$ 86	$ 200	$ -	$ 791,928

June 30, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 684,620	$ 38	$ 33,063	$ 1,456	$ -	$ 719,177
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 684,620	$ 38	$ 33,063	$ 1,456	$ -	$ 719,177

The movements of the loss allowance of accounts receivable were as follows:

	January 1 to June 30, 2024
Balance, beginning of period	$ 1,037
Reversal	(1,047)
Effect of foreign currency exchange difference	10
Balance, end of period	$ -

(II) Other receivables

The Company and Subsidiaries estimate the unrecoverable amount based on its historical experience and analysis of current financial position, and allocates an allowance to reduce accordingly.

There was no loss provision balance as of June 30, 2025, December 31, 2024 and June 30, 2024.

10. Inventory

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	$ 4,848	$ 4,447	$ 4,310
Supplies	1,814	2,068	7,726
Finished goods	7,940	11,125	6,719
Merchandise inventory	11,649	9,071	13,384
	$ 26,251	$ 26,711	$ 32,139

The cost of inventories recognized as operating costs for the three months and six months ended June 30, 2025 and 2024 were NT$ 21,532 thousand, NT$ 30,517 thousand, NT$ 68,206 thousand and NT$ 48,757thousand, respectively, and including reversal of inventories of NT$ 2,375 thousand, NT$ 0 thousand, NT$ 2,384 thousand and NT$ 0 thousand, respectively. Reversal of loss on inventory was mainly due to the disappearance of the factors that previously caused the net realizable value of inventoties to be lower than the cost.

11. Investments recognized under the equity method

	June 30, 2025	December 31, 2024	June 30, 2024
Material associates			
China Steel Machinery Corporation (CSMC)	$ 474,510	$ 506,317	$ 494,150
CSC Solar Corporation (CSCSOLAR)	309,359	312,364	298,996
	783,869	818,681	793,146
Associates that are not individually material	211,923	228,647	204,107
	$ 995,792	$ 1,047,328	$ 997,253

(I) Material associate

Name of Associate	Main Businesses	Principal place of business	Shareholding and voting rights (%) June 30, 2025	December 31, 2024	June 30, 2024
CSMC	Production and sales of machinery and equipment, such as steel equipment, railway vehicles, transportation equipment, and power generators	Kaohsiung City	26.02	26.02	26.02
CSCSOLAR	Solar power generation	Kaohsiung City	20	20	20

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Corporation for equity accounting purposes.

CSMC

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 3,016,293	$ 3,118,928	$ 3,816,186
Noncurrent assets	1,198,209	1,187,420	1,209,884

	June 30, 2025	December 31, 2024	June 30, 2024
Current liabilities	(2,296,370)	(2,274,845)	(2,998,190)
Noncurrent liabilities	(94,495)	(85,629)	(128,766)
Equity	$ 1,823,637	$ 1,945,874	$ 1,899,114
Proportion of the Corporation and its subsidiaries ownership (%)	26.02	26.02	26.02
Equity attributable to the Corporation and its subsidiaries (carrying amount of the investment)	$ 474,510	$ 506,317	$ 494,150

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating revenue	$ 1,182,726	$ 1,277,497	$ 2,320,255	$ 2,665,773
Net profit for the period	$ 7,612	$ 45,623	$ 13,083	$ 90,193
Other comprehensive income	(17,579)	2,332	(13,567)	(183)
Total comprehensive income	$ (9,967)	$ 47,955	$ (484)	$ 90,010

<u>CSCSOLAR</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 231,320	$ 151,655	$ 256,444
Noncurrent assets	3,889,875	4,005,941	4,119,580
Current liabilities	(855,900)	(1,121,797)	(1,375,424)
Noncurrent liabilities	(1,248,938)	(990,498)	(1,010,266)
Equity	$ 2,016,357	$ 2,045,301	$ 1,990,334
Proportion of the Corporation and its subsidiaries ownership (%)	20	20	20
Equity attributable to the Corporation and its subsidiaries	$ 403,271	$ 409,060	$ 398,067

	June 30, 2025	December 31, 2024	June 30, 2024
Unrealized gains or losses resulting from transactions	(93,912)	(96,696)	(99,071)
Carrying amount of the investment	$ 309,359	$ 312,364	$ 298,996

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating revenue	$ 180,108	$ 156,105	$ 304,353	$ 291,481
Net profit for the period	$ 51,080	$ 52,167	$ 65,155	$ 77,659
Other comprehensive income	(485)	713	(1,670)	2,848
Total comprehensive income	$ 50,595	$ 52,880	$ 63,485	$ 80,507

(II) Aggregate information of associates that are not individually material

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
The Corporation and its subsidiaries' share of				
Net loss for the period	$ (1,089)	$ (685)	$ (4,291)	$ (1,633)
Other comprehensive income	(8,049)	6,342	(6,155)	2,058
Total comprehensive income	$ (9,138)	$ 5,657	$ (10,446)	$ 425

The Company held more than 20% of the shares with its parent company CSC and fellow subsidiaries are accounted for using the equity method.

Refer to Table 4 "Information on Investees" and Table 5"Information on Investments in Mainland China" for the nature of business, principal place of business, and country of registration of the investees above.

Except for the investments in some companies, investments accounted for using equity method as of June 30, 2025 and 2024, and the share of profit or loss and other comprehensive income of associates for the three months and six months ended June 30, 2025 and 2024, were calculated based on the reviewed financial statements. The Company and Subsidiaries management considered the use of unreviewed financial statements as acceptable and will not have material impact on both the investments and income accounted for using the equity method.

12. Hedging financial assets and other financial assets

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets for hedging - current			
Time deposits	$ 199,371	$ 353,908	$ 537,068
Demand deposits	28,294	77,237	82,702
	$ 227,665	$ 431,145	$ 619,770

The Company and Subsidiaries purchases foreign currency bank deposits to pay for materials purchased from other countries for construction projects, to lower the cash flow risk generated by exchange rate fluctuations. Please refer to Note 30.

	June 30, 2025	December 31, 2024	June 30, 2024
Other financial assets – current			
Time deposits with original maturities more than 3 months	$ 407,336	$ 289,572	$ 388,236
Restricted bank deposits (Note 32)	350	4,778	4,743
	$ 407,686	$ 294,350	$ 392,979
Other financial assets – noncurrent			
Time deposits	$ 428,694	$ 593,146	$ 480,922

13. Other current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Prepaid sales tax and excess VAT paid	$ 72,387	$ 83,264	$ 84,569
Temporary payments	19,601	14,003	35,512
Refundable deposits	11,584	7,073	19,863
Advance payments	4,135	23,512	32,865
Others	8,130	9,802	5,962
	$ 115,837	$ 137,654	$ 178,771

14. Joint control operations

The joint venture company and our consortium are entrusted to operate and maintain the water treatment equipment at the Chengcing Lake water treatment Plant for the water utility company. According to the contract, both parties are jointly responsible for managing the operations from February 2025 onwards, with adjustments in the consortium's participation and contracting ratios. As of June 30, 2025, December 31, 2024 and June 30, 2024., the bank has provided Taiwan Water Corporation with a performance guarantee of NT$80,000 thousand, NT$51,000 thousand and NT$51,000 thousand, respectively.

(I) Chengcing Lake water treatment Plant old case

Since March 2004, the Company and jointly contracted were contracted to jointly operate and maintain water treatment equipment for a 15-year period until February 2019. The Company obtained a new contract to February 2022, and according to the agreement in the contract the performance period was extended to February 2025. The assets, liabilities, revenue and costs related to this project are shared by the Company (51%) and foreign contractor (49%). A bank account for working capital was opened in the Company’s name.

Items handled by the contractor include:

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits	$ 12,035	$ 118,922	$ 71,891
Temporary receipts (funds collected on behalf of the joint company)	$ 13,916	$ 55,551	$ 32,491

The Company recognized the following amounts of assets, liabilities, revenue, and costs of joint operations in the consolidated financial statements:

(1) Asset

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits	$ 6,138	$ 60,650	$ 36,664

(2) Lability

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liability	$ -	$ 18,708	$ 18,708
Other payables (Note 20)	-	13,363	19,429
	$ -	$ 32,071	$ 38,137

(3) Revenues and costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating revenue	$ -	$ 37,187	$ 16,910	$ 73,372
Operating costs	(5,043)	32,759	1,048	62,918
Gross profit	$ 5,043	$ 4,428	$ 15,862	$ 10,454

(II) Chengcing Lake water treatment Plant new case

Starting from February 2025, the joint contractor for the project has been replaced, with the new contract term extending for five years until February 2030. The assets, liabilities, revenue and costs related to this project are shared by the Company (80%) and the joint contractor (20%). Operating results are settled with the joint contractor monthly.

The Company recognized the following amounts of assets, liabilities, revenue, and costs of joint operations in the consolidated financial statements:

(1) Lability

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liability	$ 36,466	$ -	$ -
Other payables (Note 20)	17,570	-	-
	$ 54,036	$ -	$ -

(2) Revenues and costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating revenue	$ 59,450	$ -	$ 96,602	$ -
Operating costs	51,920	-	85,383	-
Gross profit	$ 7,530	$ -	$ 11,219	$ -

15. Property, plant and equipment

(I) Changes in costs and accumulated depreciation are as follows:

January 1 to June 30, 2025

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold improvements	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1,2025	$ 205,627	$ 96,469	$ 225,278	$ 6,315	$ 67,682	$ 48,995	$ 335,421	$ 985,787
Additions	-	345,631	2,361	-	-	1,577	(324,325)	25,244
Disposals	-	-	(5,210)	-	-	-	-	(5,210)
Effect of foreign currency exchange differences	-	-	-	-	(578)	-	-	(578)
Balance at June 30,2025	$ 205,627	$ 442,100	$ 222,429	$ 6,315	$ 67,104	$ 50,572	$ 11,096	$ 1,005,243
Accumulated depreciation								
Balance at January 1,2025	$ -	$ 54,749	$ 83,097	$ 4,458	$ 64,445	$ 36,654	$ -	$ 243,403
Depreciation	-	8,685	9,823	220	551	3,111	-	22,390
Disposals	-	-	(5,210)	-	-	-	-	(5,210)
Effect of foreign currency exchange differences	-	-	-	-	(220)	-	-	(220)
Balance at June 30,2025	$ -	$ 63,434	$ 87,710	$ 4,678	$ 64,776	$ 39,765	$ -	$ 260,363
Balance at January 1,2025	$ 205,627	$ 41,720	$ 142,181	$ 1,857	$ 3,237	$ 12,341	$ 335,421	$ 742,384
Balance at June 30,2025	$ 205,627	$ 378,666	$ 134,719	$ 1,637	$ 2,328	$ 10,807	$ 11,096	$ 744,880

January 1 to June 30, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold improvements	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1,2024	$ 205,627	$ 96,469	$ 105,723	$ 7,392	$ 67,610	$ 46,541	$ 284,970	$ 814,332
Additions	-	-	115,638	-	-	2,251	(22,731)	95,158
Disposals	-	-	-	(1,077)	-	(37)	-	(1,114)
Reclassify to other	-	-	-	-	-	-	(6,028)	(6,028)
Effect of foreign currency exchange differences	-	-	-	-	36	-	-	36
Balance at June 30,2024	$ 205,627	$ 96,469	$ 221,361	$ 6,315	$ 67,646	$ 48,755	$ 256,211	$ 902,384
Accumulated depreciation								
Balance at January 1,2024	$ -	$ 52,756	$ 63,747	$ 5,095	$ 63,300	$ 33,753	$ -	$ 218,651
Depreciation	-	996	9,791	220	568	3,244	-	14,819
Disposals	-	-	-	(1,077)	-	(37)	-	(1,114)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at June 30,2024	$ -	$ 53,752	$ 73,538	$ 4,238	$ 63,868	$ 36,960	$ -	$ 232,356
Balance at June 30,2024	$ 205,627	$ 42,717	$ 147,823	$ 2,077	$ 3,778	$ 11,795	$ 256,211	$ 670,028

(II) Useful life

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

Buildings	
Main building	35-55 years
Renovation	5-15 years
Machinery and equipment	3-10 years
Transportation equipment	5-10 years
Leasehold improvements	4-10 years
Other equipment	3-10 years

16. Lease agreement

(I) Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Right-of-use assets			
Land	$ 17,564	$ 21,955	$ -
Buildings	32,993	43,973	61,679

	June 30, 2025	December 31, 2024	June 30, 2024
Machinery	385	491	595
Transportation equipment	13,606	11,769	13,939
	$ 64,548	$ 78,188	$ 76,213

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Additions to right-of-use assets			$ 6,657	$ 10,279
Depreciation charge for right-of-use assets				
Land	$ 2,195	$ 1,691	$ 4,391	$ 3,383
Buildings	4,871	5,346	9,811	10,644
Machinery	52	71	105	178
Transportation equipment	2,380	2,539	4,820	5,102
	$ 9,498	$ 9,647	$ 19,127	$ 19,307

Except for the additions and depreciation charge above, there was no significant sub-lease and impairment of the Company and Subsidiaries' right-of-use assets for the six months ended June 30, 2025 and 2024.

(II) Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Current	$ 34,846	$ 38,544	$ 32,675
Non-current	$ 29,077	$ 39,091	$ 43,155

The annual discount rate (%) of lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.88	1.88	-
Buildings	0.56-1.71	0.56-1.71	0.56-1.71
Machinery	1.78	1.78	1.78
Transportation equipment	1.53-1.94	0.74-1.90	0.56-1.88

(III) Important lease activities and clauses

The Company leased factories, land, and offices for operations from non-related parties Pwu Diing Enterprise Co., Ltd., You Cheng Enterprise Co., Ltd., Port of Taichung, and Jye Chi Corporation, and the parent company CSC with a lease period of 3-10 years. Subsidiaries CEVC and Xiamen Mao Yu Import and Export Trading Ltd. leased offices for operations from non-related parties in Vietnam and China Xiamen for 5 years, respectively.

(IV) Another lease information

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Expenses relating to short-term leases and low-value asset leases	$ 1,334	$ 2,985	$ 6,945	$ 5,734
Expenses relating to variable leases payments not included in the measurement of lease liabilities	$ 464	$ 459	$ 899	$ 911
Total cash outflow for leases			$ 27,508	$ 26,322

For buildings and transportation equipments which qualify as short-term leases and as low-value asset leases, the Company and Subsidiaries have elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

For the agreement of the Company to lease its own investment properties, please refer to Note 17.

17. Investment propertiey

	June 30, 2025	December 31, 2024	June 30, 2024
Land	$ 323,521	$ 323,521	$ 323,521

The fair value of investment property on June 30, 2025 was NT$ 361,000 thousand. The fair value has not been evaluated by an independent evaluator, but was measured by the company's management with reference to market evidence of similar real estate transaction prices using level 3 input values.

Total amount of lease payments to be received in the future under operating leases will be NT$ 5,832 thousand.

The investment property is ownd by the Company.

For the leased transactions to related parties, please refer to Note 31.

18. Borrowing

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured loans	$ -	$ 50,000	$ -
Interest rate (%)	-	2.03	-

19. Accounts payable

The Company and Subsidiaries' accounts payable (including related parties) are all incurred due to business operations, and the Company and Subsidiaries do not provide collateral to creditors for accounts payable (including related parties).

The Company and Subsidiaries established a financial risk management policy to ensure all payables are repaid within the credit period agreed to in advance, hence interest does not need to be added.

Accounts payable include construction retainage in construction contracts. Interest is not accrued on construction retainage, and is paid after the retention period of the construction contract ends. The retention period is the normal business cycle of the Company and Subsidiaries, and usually exceeds 1 year.

20. Other liabilities

Current	June 30, 2025	December 31, 2024	June 30, 2024
Other payables			
Salaries and bonus	$ 317,924	$ 521,077	$ 332,069
Business tax payable	48,183	31,888	17,667
Compensation of employees and remuneration of directors	35,630	24,139	41,434
Equipment operation and maintenance expenses (Note 14)	17,570	13,363	19,429
Others	45,943	64,154	59,197
	$ 465,250	$ 654,621	$ 469,796
Other current liabilities			
Temporary receipts	$ 69,753	$ 80,300	$ 41,632
Refund liabilities	23,911	29,905	27,937
Collections for third parties	17,495	25,147	15,337
Others	2,916	2,916	4,860
	$ 114,075	$ 138,268	$ 89,766

21. Provision

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Onerous contracts	$ 10,748	$ 12,621	$ 7,322

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of period	$ 12,621	$ 8,862
Recognized	120	534
Paid	(1,987)	(2,077)
Effect of foreign currency exchange differences	(6)	3
Balance, end of period	$ 10,748	$ 7,322

22. Retirement benefit plans

For the three months and six months ended June 30, 2025 and 2024, the pension expense of defined benefit plans were NT$ 2,503 thousand, NT$ 2,810 thousand, NT$ 5,006 thousand and NT$ 5,619 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

23. Asset and liability maturity analysis

Assets and liabilities of the Company and Subsidiaries related to environmental protection projects are divided into current and noncurrent based on business cycle. Accounts are listed by amount expected to be collected or paid within 1 year or longer than 1 year after the balance sheet date:

June 30, 2025	Within 1 year	Over 1 year	Total
Assets			
Contract assets - current	$ 1,058,792	$ 141,116	$ 1,199,908

June 30, 2025	Within 1 year	Over 1 year	Total
Accounts receivable (including related parties)	1,206,103	-	1,206,103
Restricted bank deposits - recognized in other financial assets	-	350	350
Refundable deposits - recognized in other current assets	11,424	160	11,584
	$ 2,276,319	$ 141,626	$ 2,417,945
Liabilities			
Contract liabilities - current	$ 1,601,163	$ -	$ 1,601,163
Accounts payable (including related parties)	785,511	79,660	865,171
Provisions - current	10,748	-	10,748
Refund liabilities - current - recognized in other current liabilities	13,807	10,104	23,911
	$ 2,411,229	$ 89,764	$ 2,500,993

December 31, 2024	Within 1 year	Over 1 year	Total
Assets			
Contract assets - current	$ 1,106,484	$ 156,494	$ 1,262,978
Accounts receivable (including related parties)	791,928	-	791,928
Restricted bank deposits - recognized in other financial assets	4,428	350	4,778
Refundable deposits - recognized in other current assets	6,913	160	7,073
	$ 1,909,753	$ 157,004	$ 2,066,757
Liabilities			
Short-term borrowing	$ 50,000	$ -	$ 50,000
Contract liabilities - current	1,133,197	-	1,133,197

December 31, 2024	Within 1 year	Over 1 year	Total
Accounts payable (including related parties)	898,963	128,415	1,027,378
Provisions - current	4,085	8,536	12,621
Refund liabilities - current - recognized in other current liabilities	12,226	17,679	29,905
	$ 2,098,471	$ 154,630	$ 2,253,101

June 30, 2024	Within 1 year	Over 1 year	Total
Assets			
Contract assets - current	$ 1,002,863	$ 81,568	$ 1,084,431
Accounts receivable (including related parties)	719,177	-	719,177
Restricted bank deposits - recognized in other financial assets	4,393	350	4,743
Refundable deposits - recognized in other current assets	19,853	10	19,863
	$ 1,746,286	$ 81,928	$ 1,828,214
Liabilities			
Contract liabilities - current	$ 1,187,842	$ -	$ 1,187,842
Accounts payable (including related parties)	586,643	132,272	718,915
Provisions - current	1,541	5,781	7,322
Refund liabilities - current - recognized in other current liabilities	11,817	16,120	27,937
	$ 1,787,843	$ 154,173	$ 1,942,016

24. Equity

(I) Capital – common stock

	June 30,2025	December 31,2024	June 30,2024
Number of shares authorized (in thousands)	220,000	220,000	220,000
Authorized capital	$ 2,200,000	$ 2,200,000	$ 2,200,000
Number of shares issued and fully paid (in thousands)	123,743	123,743	123,743
Issued capital	$ 1,237,426	$ 1,237,426	$ 1,237,426

The Company's common shares have a face value of NT$ 10. Each share is entitled to one voting right and the right to receive dividends.

(II) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset deficit, distribute cash or transfer to share capital (see Note below)			
Additional paid-in capital	$ 628,364	$ 628,364	$ 628,364
May be used to offset deficit only			
Gains on the disposal of fixed assets	10	10	10
Adjustment from changes in equity of associate for using equity method	518	281	255
	528	291	265
	$ 628,892	$ 628,655	$ 628,629

Note: The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital).

(III) Retained earnings and dividend policy

Pursuant to the Articles of Incorporation, if there is a profit after year-end closing, after compensating for losses of previous years, it shall be distributed in the following order:

1. Appropriate 10% as the legal reserve, until the aggregate amount has reached the Company's paid-in capital.
2. Funding or reverse a special reserve depending on operating needs and regulatory requirements.
3. Where there are still distributable earnings, the board of directors shall then submit an earnings distribution proposal to the shareholders' meeting for approval of the distribution thereof.

The Company is in a high-tech engineering market with stable growth and develops diverse strategies at the same time. The Company also expands the business operating foundation in the development of investment plans, including environmental protection and energy etc. During the formulation of the proposal for distribution of earnings by the board of directors, it is necessary to consider the stability of dividends. Except when there is need for capital, the earnings distributed each year shall account for more than 50 percent of the distributable earnings, and where the shareholders' cash dividend shall not be less than 10 percent of the shareholders' dividend.

The legal reserve may be used to offset losses. When the Company does not have any losses, the amount of legal reserve that surpasses 25% of paid-up capital may be capitalized and may also be distributed to shareholders in cash.

The appropriation of earning for 2024 and 2023 had been approved in the shareholder's meeting in June 2025 and 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividend Per Share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 53,569	$ 55,102		
Recognized special reserve	46,000	29,604		
Cash dividends	371,228	408,350	$ 3.0	$ 3.3

(IV) Other equity items

1. Exchange differences on translating foreign operations

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of period	$ (59,307)	$ (76,274)
Recognized during the period		
Exchange differences arising from translating foreign operations	(128,042)	13,450
Share from associates accounted for using the equity method	(3,094)	472
Income tax relating to exchange differences arising on translating the net assets of foreign operations	25,608	(2,690)
Other comprehensive income recognized in the period	(105,528)	11,232
Balance, end of period	$ (164,835)	$ (65,042)

2. Unrealized gains and losses on financial assets at fair value through other comprehensive income

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of period	$ (24,070)	$ 48,867

	January 1 to June 30, 2025	January 1 to June 30, 2024
Recognized during the period		
Unrealized gains and losses - equity instruments	(977)	(60,866)
Share from associates accounted for using the equity method	(5,600)	2,711
Income tax effect	-	22,246
Other comprehensive income recognized in the period	(6,577)	(35,909)
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	(4,246)	(23,976)
Balance, end of period	$ (34,893)	$ (11,018)

3. Gains and losses on hedging instrument

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of period	$ 7,773	$ (2,197)
Recognized during the period		
Profit or loss from changes in fair value of hedging tools – Exchange rate risk	(1,281)	(362)
Share from associates accounted for using the equity method	(1,335)	(601)
Income tax effect	256	72
Reclassification adjustment		
Profit or loss from changes in fair value of hedging tools – Exchange rate risk	(24,933)	14,369
Income tax effect	4,987	(2,874)
Other comprehensive income recognized in the period	(22,306)	10,604

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, end of period	$ (14,533)	$ 8,407

25. Revenues

The Company and Subsidiaries' operating revenues on the Consolidated Statement of Comprehensive Income are all from contracts with customers, and have been divided according to economic factors.

(I) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes and accounts receivable (including related parties)	$ 1,206,103	$ 791,928	$ 719,177	$ 645,092
Contract assets-current				
Construction contracts	$ 1,199,908	$ 1,262,978	$ 1,084,431	$ 1,274,883
Contract liabilities - current and noncurrent				
Construction contracts	$ 1,601,163	$ 1,133,197	$ 1,187,842	$ 1,055,878
Technical service revenue	78,272	60,818	59,092	59,179
Sales contracts	257	507	440	-
	$ 1,679,692	$ 1,194,522	$ 1,247,374	$ 1,115,057

The changes in the balance of contract assets and contract liabilities resulted primarily from the difference in timing between the satisfaction of performance obligations and customer payment.

Revenue recognized in the current reporting period from the contract liabilities at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Contract liabilities at the beginning of the period				
Construction contracts	$ 220,612	$ 257,549	$ 923,769	$ 556,629
Technical service revenue	5,424	-	9,969	-
Sales contracts	-	-	250	-
	$ 226,036	$ 257,549	$ 933,988	$ 556,629

(II) Partially completed contracts

As of June 30, 2025, December 31, 2024 and June 30, 2024, the transaction price allocated to the performance obligations that were not fully satisfied amounted to NT$ 10,836,280 thousand, NT$ 12,173,865 thousand and NT$ 13,939,944 thousand, respectively. The Company and Subsidiaries will recognize revenue as the construction is being completed and expected timing for recognition of revenue is on various dates through August 2028.

26. Profit before income tax

Profit before income tax includes the following items:

(I) Interest income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Demand deposits	$ 13,860	$ 17,460	$ 28,368	$ 36,238
Others	4,206	2,437	6,608	4,014
	$ 18,066	$ 19,897	$ 34,976	$ 40,252

(II) Other income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Rental income	$ 2,916	$ 2,916	$ 5,832	$ 5,832
Dividend income	-	1,388	-	17,454
Others	224	270	373	529
	$ 3,140	$ 4,574	$ 6,205	$ 23,815

(III) Other profits and losses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Gains on financial assets at fair value through profit or loss	$ 5,098	$ 18,147	$ 16,988	$ 4,119
Net foreign exchange gain (loss)	(2,799)	494	(2,153)	1,777
Others	(6)	36	(282)	(194)
	$ 2,293	$ 18,677	$ 14,553	$ 5,702

The net foreign exchange gains or losses above includes:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Foreign exchange gain	$ (100)	$ 570	$ 574	$ 2,112
Foreign exchange loss	(2,699)	(76)	(2,727)	(335)
Net exchange gain (loss)	$ (2,799)	$ 494	$ (2,153)	$ 1,777

(IV) Financial costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest of lease liabilities	$ 259	$ 269	$ 544	$ 544
Borrowing	1	157	22	937
	260	426	$ 566	$ 1,481

(V) Depreciation and amortization

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Property, plant and equipment	$ 11,174	$ 7,389	$ 22,390	$ 14,819
Right-of-use assets	9,498	9,647	19,127	19,307
Intangible assets	2,181	2,529	4,394	4,935
	$ 22,853	$ 19,565	$ 45,911	$ 39,061
An analysis of depreciation by function				
Operating costs	$ 10,439	$ 9,211	$ 20,993	$ 18,449
Operating expenses	10,233	7,825	20,524	15,677
	$ 20,672	$ 17,036	$ 41,517	$ 34,126
An analysis of amortization by function				
Operating expenses	$ 2,181	$ 2,529	$ 4,394	$ 4,935

(VI) Employee benefit expenses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits				
Salaries	$ 375,460	$ 362,751	$ 740,843	$ 732,170
Labor and health insurance	28,511	27,253	62,446	60,309
Others	7,902	7,169	16,243	14,201
	411,873	397,173	819,532	806,680
Post-employment benefits				
Defined contribution plans	13,328	12,753	26,153	25,058

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Defined benefit plans (Note 22)	2,503	2,810	5,006	5,619
Termination benefits	-	-	4	3
	15,831	15,563	31,163	30,680
Employee benefit expenses	$ 427,704	$ 412,736	$ 850,695	$ 837,360
An analysis of employee benefits by function				
Operating costs	$ 324,597	$ 320,512	$ 641,359	$ 648,837
Operating expenses	103,107	92,224	209,336	188,523
	$ 427,704	$ 412,736	$ 850,695	$ 837,360

(VII) Compensation of employees and remuneration of directors

According to the Articles of Incorporation, the article stipulate the Company distributed compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 1%, respectively, of pre-tax profit prior to deducting compensation of employees and remuneration of directors. The compensation of employees and employees and remuneration of directiors for the three months and six months ended June 30, 2025 and 2024 were as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Compensation of employees	$ 4,766	$ 5,370	$ 9,531	$ 10,903
Remuneration of directors	980	1,100	1,960	2,200

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

The appropriations for compensation of employees and remuneration of directors for 2024 and 2023 which had been approved by the board of directors' meeting in February 2025 and 2024, respectively, were as follows:

	2024	2023
Compensation of employees	$ 20,116	$ 23,609
Remuneration of directors	4,023	4,722

The amounts recognized in the consolidated financial statement for 2024 and 2023 are the same as which approved in the board of directors' meeting.

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

27. Income tax

(I) Income tax recognized in profit or loss

The major components of income tax were as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Current tax				
In respect of the current year	$ 24,693	$ 19,668	$ 46,028	$ 47,664
In respect of prior years	(1,531)	(4)	(1,584)	(4)
	23,162	19,664	44,444	47,660

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Deferred tax				
In respect of the current year	2,936	2,077	7,353	5,163
	$ 26,098	$ 21,741	$ 51,797	$ 52,823

(II) Income tax expenses recognized in equity

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Current tax				
Disposal of investments in equity instruments at fair value through other comprehensive income	$ -	$ 2,056	$ -	$ 2,056

(III) Income tax expenses recognized in other comprehensive income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Deferred tax				
Exchange differences on translation of foreign operations	$ 27,861	$ 858	$ 25,608	$ (2,690)
Investments in equity instruments measured at fair value through other comprehensive income	-	-	-	22,246
Profit or loss from hedging instruments	6,757	(97)	5,243	(2,802)
	$ 34,618	$ 761	$ 30,851	$ 16,754

(IV) Income tax assessment

The Company’s income tax returns through 2023 have been assessed by the tax authorities.

(V) Subsidiaries CIC and CDC were all established in Samoa and exempted from income tax according to local regulations. CEVC, China Ecotek India Private Limited, and Xiamen Ecotek PRC Co., Ltd. were established in Vietnam, India, and China Xiamen and pay taxes according to local regulations.

28. Earnings per share

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

Net profit for the period

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Profit for the year attributable to owners of the Corporation	$ 122,298	$ 120,927	$ 231,560	$ 240,621

Number of shares (in thousand shares)

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Weighted average number of ordinary shares used in computation of basic earnings per share	123,743	123,743	123,743	123,743
Effect of dilutive potential ordinary shares-Compensation of employees	165	154	268	277
Weighted average number of ordinary shares used in computation of diluted earnings per share	123,908	123,897	124,011	124,020

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

29. Capital risk management

The Company and Subsidiaries engage in capital management to ensure that it can maximize return for shareholders by optimizing the balance of liabilities and equity, under the premise that it is able to continue as a going concern.

The Company and Subsidiaries' capital structure consists of net liabilities (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital surplus, retained earnings, and other equity interests), and is not required to comply with external regulations on capital.

30. Financial instruments

(I) Information on fair value

1. Information on fair value –Fair value of financial instruments that are measured at fair value on a recurring basis

June 30, 2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
OTC market shares in Taiwan	$ 7,686	$ -	$ -	$ 7,686

June 30, 2025		Level 1		Level 2		Level 3		Total
Emerging market shares in Taiwan		-		-		5,203		5,203
Unlisted shares in Taiwan		-		-		25,863		25,863
	$	7,686	$	-	$	31,066	$	38,752

Financial assets at fair value through other comprehensive income		Level 1		Level 2		Level 3		Total
Listed shares in Taiwan	$	21,620	$	-	$	-	$	21,620

December 31, 2024		Level 1		Level 2		Level 3		Total
Financial assets at fair value through profit or loss								
Emerging market shares in Taiwan	$	-	$	-	$	48,193	$	48,193
Unlisted shares in Taiwan		-		-		25,823		25,823
	$	-	$	-	$	74,016	$	74,016
Financial assets at fair value through other comprehensive income								
Listed shares in Taiwan	$	22,597	$	-	$	-	$	22,597

June 30, 2024		Level 1		Level 2		Level 3		Total
Financial assets at fair value through profit or loss								
Emerging market shares in Taiwan	$	-	$	-	$	65,270	$	65,270
Unlisted shares in Taiwan		-		-		27,216		27,216
	$	-	$	-	$	92,486	$	92,486
Financial assets at fair value through other comprehensive income								
Foreign unlisted shares	$	26,565	$	-	$	-	$	26,565

2. Reconciliation of Level 3 fair value measurements of financial assets

January 1 to June 30, 2025

Financial Asset		Financial assets at fair value through profit or loss
Balance, beginning of the period	$	74,016
Purchase		6,395
Disposals		(65,999)
Recognized in profit or loss		16,654
Balance, end of the period	$	31,066
Unrealized gains and losses for the current period	$	(4,800)

January 1 to June 30, 2024

Financial Asset		Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Total
Balance, beginning of the period	$	116,961	$	124,976	$	241,937
Purchase		5,917		-		5,917
Disposals		(27,997)		-		(27,997)
Reduction		-		(70,652)		(70,652)
Recognized in profit or loss		(2,395)		-		(2,395)
Recognized in other comprehensive income		-		(54,324)		(54,324)
Balance, end of the period	$	92,486	$	-	$	92,486
Unrealized gains and losses for the current period	$	(19,853)			$	(19,853)

3. Valuation techniques and inputs applied for measuring level 3 fair value measurement

(1) The fair value of emerging stock is estimated based on its closing price and taking into consideration its liquidity.

(2) The fair value of domestic unlisted stock is estimated based on the most recent net value of the investee or transaction price. The fair value of foreign unlisted stocks is estimated using the market approach.

(II) Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
Financial Asset			
Financial assets at fair value through profit or loss	$ 38,752	$ 74,016	$ 92,486
Financial assets for hedging	227,665	431,145	619,770
Financial assets at amortized cost 1)	3,388,387	2,949,027	2,496,255
Financial assets at fair value through other comprehensive income	21,620	22,597	26,565
Financial Liabilities			
Financial liabilities at amortized cost 2)	1,354,332	1,761,904	1,216,648

Note 1: The balance includes cash and cash equivalents, accounts receivable (including related parties), other receivables (without dividend receivable), other financial assets, refundable deposits (the current portion is listed in other current assets), and other financial assets at amortized cost.

Note 2: The balance includes borrowing, accounts payable (including related parties), other payables, and guarantee deposits received (the current portion is listed under other current liabilities), and other financial liabilities at amortized cost.

(III) The purpose and policy of financial risk management

The Company and Subsidiaries' main financial instruments include financial assets for hedging, notes and accounts receivable, equity investments, other financial assets, borrowing, accounts payable, and lease liabilities. The financial management department provides services to sales units, coordinates operations in domestic and foreign financial markets, and analyzes exposure based on the level and extent of risks, to supervise and manage financial risks related to the Company and Subsidiaries' operations. Such risks include market risks (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

The significant financial activities of the Company and Subsidiaries are reviewed by the Board of Directors according to regulations and the internal control system. Internal auditors continue to review policy compliance and exposure. The Company and Subsidiaries have not used financial instruments (including derivative financial instruments) for speculative trading.

1. Market Risk

(1) Foreign exchange risk

The Company and Subsidiaries purchase and sells goods denominated in foreign currencies, and is thus exposed to the risk of exchange rate fluctuations. The Company and Subsidiaries manage exposure to foreign exchange risk using foreign currency deposits and firm commitment opposite to exchange rate fluctuations within the scope permitted by policy.

Please see Note 34 for the carrying amount of the Company and Subsidiaries' major monetary assets not denominated in the functional currency on the balance sheet date (including monetary items not denominated in the functional currency on the consolidated financial statements).

The table below shows the Company and Subsidiaries' sensitivity analysis when the functional currency appreciates/depreciates 1% against USD and CNY. A positive number is the amount that pre-tax profit or equity will increase when the functional currency depreciates 1% against foreign currencies. Pre-tax profit or equity will decrease the same amount when the functional currency appreciates 1% against USD and CNY.

	USD Impact		CNY Impact	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Profit before income tax	$ 107	$ 333	$ 1	$ 27
Equity	583	1,185	1,649	4,473

(2) Interest rate risk

The carrying amount of the Company and Subsidiaries' financial assets and liabilities that are exposed to interest rate risk on the balance sheet date is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial liabilities	$ 63,923	$ 127,635	$ 75,830

	June 30, 2025	December 31, 2024	June 30, 2024
Cash flow interest rate risk			
Financial assets	154,932	268,896	330,402

The Company and Subsidiaries' are exposed to interest rate risk due to financial assets with floating interest rates. The method for analyzing floating interest rate assets assumes that the amount of assets outstanding on the balance sheet date were outstanding throughout the year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company and Subsidiaries' pre-tax profit for the six months ended June 30, 2025 and 2024 would have been lower/higher by NT$ 775 thousand and NT$ 1,652 thousand, respectively, and is mainly due to the Company and Subsidiaries' floating interest rate bank deposits.

2. Credit risk

Credit risk refers to the risk of financial loss to the Company and Subsidiaries arising from default by counterparties. As of the balance sheet date, the Company and Subsidiaries' greatest credit risk exposure to financial losses caused by transaction counterparties failing to fulfill their obligations is in the book value of financial assets recognized on the consolidated balance sheet.

Among the balance of the Company and Subsidiaries' accounts receivable, customers that account for over 10% of total accounts receivable are as follows:

		June 30, 2025		December 31, 2024		June 30, 2024
Dragon Steel	$	670,382	$	292,455	$	109,932
Parent company		336,806		239,504		360,589
CSCSOLAR		34,222		51,975		94,762
	$	1,041,410	$	583,934	$	565,283

3. Liquidity risk

The Company and Subsidiaries manage and maintain enough position of cash and cash equivalents or financial products that can easily be liquidated, and maintain a suitable credit limit through loan agreements with financial institutions to meet the needs of operations.

The table below provides the maturity analysis of remaining non-derivative financial liabilities for the repayment period agreed to by the Company and Subsidiaries. It is prepared based on the non-discounted cash flow (including principal and interest) of financial liabilities up to the earliest date that the liabilities may need to be repaid by the Company and Subsidiaries.

		Less Than 1 Year		Over 1 Year		Total
June 30, 2025						
Accounts payable (icluding related parties)	$	785,511	$	79,660	$	865,171
Other payables (icluding dividends payable)		836,478		-		836,478
Lease liabilities		35,567		29,506		65,073
Refund liabilities		13,807		10,104		23,911
	$	1,671,363	$	119,270	$	1,790,633
December 31, 2024						
Borrowing	$	50,017	$	-	$	50,017

	Less Than 1 Year		Over 1 Year		Total
Accounts payable (icluding related parties)	898,963		128,415		1,027,378
Other payables	654,621		-		654,621
Lease liabilities	39,439		39,728		79,167
Refund liabilities	12,226		17,679		29,905
	$ 1,655,266	$	185,822	$	1,841,088

June 30, 2024			
Accounts payable (icluding related parties)	$ 586,643	$ 132,272	$ 718,915
Other payables (icluding dividends payable)	878,146	-	878,146
Lease liabilities	33,506	43,971	77,477
Refund liabilities	11,817	16,120	27,937
	$ 1,510,112	$ 192,363	$ 1,702,475

4. Cash flow hedging

June 30,2025

Hedging instruments	Currency	Contract amount	Maturity	Forward price	Line items on the balance sheets	Carry amount Asset	Carry amount Liability
Cash flow hedging							
Hedging deposits	JPY	$ 21,840	NA	NA	Financial assets for hedging	$ 4,442	$ -
	USD	1,989	NA	NA	Financial assets for hedging	58,282	-
	CNY	40,318	NA	NA	Financial assets for hedging	164,941	-
						$ 227,665	$ -

June 30,2025

Hedged Items	Change in fair value of hedged items used for calculating hedge ineffectiveness	Balance in other equity: Continuing hedges	Balance in other equity: Discontinuing hedges
Cash flow hedging			
Forecast procurement of equipment and construction contracts	$ 26,214	$ (16,205)	$ -

January 1 to June 30, 2025

Effect on Comprehensive Income (Loss)	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Item Affecting P/L	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedging					
Hedging deposits	$ (20,971)	$ -	-	$ -	$ -

June 30,2024

Hedging instruments	Currency	Contract amount	Maturity	Forward price	Line items on the balance sheets	Carry amount: Asset	Carry amount: Liability
Cash flow hedging							
Hedging deposits	JPY	$ 258,000	NA	NA	Financial assets for hedging	$ 52,039	$ -
	USD	3,653	NA	NA	Financial assets for hedging	118,545	-
	EUR	54	NA	NA	Financial assets for hedging	1,874	-
	CNY	100,633	NA	NA	Financial assets for hedging	447,312	-
						$ 619,770	$ -

June 30,2024

Hedged Items	Change in fair value of hedged items used for calculating hedge ineffectiveness	Balance in other equity: Continuing hedges	Balance in other equity: Discontinuing hedges
Cash flow hedging			
Forecast procurement of equipment and construction contracts	$ (14,007)	$ 11,136	$ -

January 1 to June 30, 2024

Effect on Comprehensive Income (Loss)	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Item Affecting P/L	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedging					
Hedging deposits	$ 11,205	$ -	-	$ -	$ -

31. Related Party Transactions

(I) Name and relationship of related parties

Name of related party	Relationship with the Company and Subsidiaries
China Steel Corporation	Parent company
Dragon Steel Corporation (Dragon Steel)	Fellow subsidiary
China Steel Machinery Corporation	Fellow subsidiary
CSC Solar Corporation (CSCSOLAR)	Fellow subsidiary
Chung Hung Steel Corporation	Fellow subsidiary
C.S. Aluminum Corporation	Fellow subsidiary
Steel Castle Technology Corporation	Fellow subsidiary
China Steel Chemical Corporation	Fellow subsidiary
Infochamp Systems Corporation	Fellow subsidiary
China Steel Security Corporation	Fellow subsidiary
CHC Resources Corporation	Fellow subsidiary
China Steel Management Consulting Corporation	Fellow subsidiary
China Steel and Nippon Steel Vietnam Joint Stock Company	Fellow subsidiary
Union Steel Development Corporation	Fellow subsidiary
Betacera Inc.	Fellow subsidiary
CSGT Metals Vietnam Joint Stock Company	Fellow subsidiary
China Steel Structure Co., Ltd.	Fellow subsidiary
Taiwan Intelligent Transportation Co., Ltd.	Fellow subsidiary
HIMAG Magnetic Corporation	Fellow subsidiary
United Steel Engineering & Construction Corporation	Fellow subsidiary
Sing Da Marine Structure Corporation	Fellow subsidiary
Eminent III Venture Capital Corporation	Associate
Formosa Ha Tinh Steel Corporation	Other related parties
Hua Eng Wire and Cable Co., Ltd.	Director of the Company

(II) Business transaction

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating revenue				
Parent company	$ 1,742,299	$ 1,574,318	$ 3,112,014	$ 3,217,580
Fellow subsidiary				
Dragon Steel	1,047,641	458,623	1,677,824	809,999
Others	70,177	131,664	147,835	254,050
Other related parties	281	4,123	672	6,089
Associate	43	241	81	276
	$ 2,860,441	$ 2,168,969	$ 4,938,426	$ 4,287,994
Purchase of goods and outsourcing fees				
Parent company	$ -	$ 1,011	$ 600	$ 1,011
Fellow subsidiary	40,763	27,042	105,207	65,821
Director of the Company	-	1,246	841	2,367
	$ 40,763	$ 29,299	$ 106,648	$ 69,199

The Company and Subsidiaries' operating revenues is mainly from construction revenues from the companies above, and the total contract price is negotiated based on the scale or nature of each project. The collection period is approximately 2-3 months after the invoice is issued. The Company and Subsidiaries contracts with related parties is different from contracts with non-related parties, so there are no similar transactions for comparison.

Purchase of goods and outsourcing fees are negotiated based on the model or nature of the project, and payment is made within 1-2 months. The Company and Subsidiaries' transactions with related parties is different from non-related parties, so there are no similar transactions for comparison.

The balance of accounts payable/receivable to/from related parties on the balance sheet date is as follows:

Account Items	Type of related party	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable - related parties	Parent company	$ 336,806	$ 239,504	$ 360,589
	Fellow subsidiary			
	Dragon Steel	670,382	292,455	109,932
	CSCSOLAR	34,222	51,975	94,762
	Others	5,380	13,806	5,608
	Associate	45	40	-
		$ 1,046,835	$ 597,780	$ 570,891
Accounts payable - related parties	Parent company	$ 90	$ 46	$ 8
	Fellow subsidiary	9,398	12,807	28,636
	Director of the Company	-	5,047	-
		$ 9,488	$ 17,900	$ 28,644

The outstanding accounts payable to related parties were unsecured and will be settled in cash. June 30,2025, December 31, 2024 and June 30,2024, no impairment loss was recognized on receivables form related patyies.

(III) Other transactions

1. Construction contracts

The balance of construction contracts not yet performed in operating revenues is listed below:

	June 30, 2025	December 31, 2024	June 30, 2024
Parent company	$ 7,258,118	$ 7,637,927	$ 8,904,833
Fellow subsidiary			

	June 30, 2025	December 31, 2024	June 30, 2024
Dragon Steel	2,619,528	3,570,187	3,666,876
Others	433,885	190,417	205,348
Other related parties	9,275	10,038	10,599
	$ 10,320,806	$ 11,408,569	$ 12,787,656

Accumulated balance of construction progress of construction contracts is listed below:

	June 30, 2025	December 31, 2024	June 30, 2024
Parent company	$ 15,376,352	$ 13,404,481	$ 12,155,015
Fellow subsidiary			
Dragon Steel	4,805,497	3,540,231	2,650,959
Others	481,005	521,596	683,832
Other related parties	2,721,975	2,872,646	2,862,621
	$ 23,384,829	$ 20,338,954	$ 18,352,427

2. Lease agreements

Account Items	Related Parties Types	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities (current and noncurrent)	Parent company	$ 5,546	$ 10,585	$ 15,581

Type of related party	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest expense				
Parent company	$ 31	$ 74	$ 74	$ 140
Rent expenses				
Parent company	$ 524	$ 509	$ 1,009	$ 1,009

The Company and Subsidiaries lease offices from the parent company with a lease period of 3-5 years. The rent is based on the rent for similar assets and is paid quarterly or semi-annually according to the lease agreement.

Lease expenses are variable lease payments and expenses for short-term leases and low value asset leases of buildings and transportation equipment that are not included in lease liabilities.

(IV) Lease arrangements

As descirbed in Note 17, the Company leased out land, which was located at the Linyuan District, Kaohsiung City to its parent company. Rental price was negotiated between both sides and collected every half year. The lease term of the contract will end in March 2026. As of June 30, 2025, total amount of lease payments to be received in the future under operating leases will be NT$ 5,832 thousand. The amount of lease income recognized for the three and six months ended June 30, 2025 and 2024 were NT$ 2,916 thousand, NT$ 2,916 thousand, NT$ 5,832 thousand and NT$ 5,832 thousand.

(V) Compensation for management

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits				
(salary, dividends, and bonuses)	$ 4,426	$ 4,229	$ 8,849	$ 8,601
Retirement benefit plans	27	-	54	-
	$ 4,453	$ 4,229	$ 8,903	$ 8,601

Remuneration of directors and management was determined by the remuneration committee based on the personal performance evaluation and market trends.

32. Pledged Assets

The Company and Subsidiaries provide the following assets as guarantee for contract performance:

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits (recognized in other financial assets - current)	$ 350	$ 4,778	$ 4,743

33. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those described in other notes, the Company and Subsidiaries also have the following major commitments and contingencies on June 30, 2025

(I) The Company and Subsidiaries provided approximately NT$ 220,057 thousand in performance bond and warranty bond through a bank for construction contracts.

(II) The Company and Subsidiaries provided approximately NT$ 105,978 thousand in notes as the performance bond and warranty bond for major projects.

(III) The Company and Subsidiaries' balance of issued but unutilized L/C for the purchase of construction equipment is approximately NT$ 22,758 thousand.

(IV) Property purchase and construction contracts for NT$ 9,825 thousand were signed but not yet recorded.

34. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Company and Subsidiaries and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2025		Foreign Currencies (In Thousands)	Exchange rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Foreign currency assets					
Monetary items					
USD	$	2,555	29.3000	$	74,872
CNY		40,416	4.0910		165,342
EUR		1	34.3500		41
JPY		21,841	0.2034		4,442
Foreign currency liabilities					
Monetary items					
USD		203	29.3000		5,933
CNY		71	4.0910		289

December 31, 2024		Foreign Currencies (In Thousands)	Exchange rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Foreign currency assets					
Monetary items					
USD	$	2,691	32.7850	$	88,229
CNY		71,685	4.4780		321,003
EUR		41	34.1400		1,411

	Foreign Currencies (In Thousands)	Exchange rate	Carrying Amount (In Thousands of New Taiwan Dollars)
JPY	225,988	0.2099	47,435
Foreign currency liabilities			
Monetary items			
USD	176	32.7850	5,783

June 30, 2024	Foreign Currencies (In Thousands)	Exchange rate	Carrying Amount (In Thousands of New Taiwan Dollars)
Foreign currency assets			
Monetary items			
USD	$ 4,869	32.4500	$ 158,010
CNY	101,240	4.4450	450,014
EUR	64	34.7100	2,208
JPY	258,006	0.2017	52,040
Foreign currency liabilities			
Monetary items			
USD	189	32.4500	6,123

For the three and six months ended June 30, 2025 and 2024, realized and unrealized net foreign exchange gains and losses were loss NT$ 2,799 thousand, gian NT$ 494 thousand, loss NT$ 2,153 thousand and gain NT$ 1,777 thousand. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transaction and functional currencies of the Company and Subsidiaries.

35. Separately disclosed items

Matters required to be disclosed for the six months ended June 30, 2025 are as follows:

(I) Information on major transactions and (II) investees

1. Financing provided to others: None.
2. Endorsements or guarantees provided: None.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associate): Table1.
4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2.
5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.
6. Other: The business relationship and key transactions between intra-group companies and amount: None.
7. Information investees: Table 4.

(III) Information on investments in maimland China

1. Information on any investee 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, carrying amount of the investment at the end of the year, 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:

(1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None.
(2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.
(3) The amount of property transactions and the amount of the resultant gains or losses: None.
(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.
(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.
(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

36. Segment Information

Information provided to the main decision-maker of business operations to distribute resources and assess segment performance, and focuses on each type of product or service delivered or provided. Segments required to be reported by the Company and Subsidiaries are as follows:

- China Ecotek Corporation (The Company) – Environmental protection projects.

- China Ecotek Vietnam Company Ltd. (CEVC)– Environmental protection projects.
- Other – General investments and subsidiaries that do not reach the quantified threshold required for segment reporting

(I) Department revenue and business results

The Company and Subsidiaries' revenue and business results, as well as assets and liabilities by reportable segment are analyzed below:

January 1 to June 30, 2025	The Company	CEVC	Others	Adjustment and offset	Merger
Revenue from customers other than the parent company and its subsidiaries	$ 5,494,378	$ 45,075	$ -	$ -	$ 5,539,453
Segment income (losses)	$ 224,263	$ (5,787)	$ (2,434)	$ -	$ 216,042
Interest income	10,859	20,643	3,474	-	34,976
Other income	6,028	172	5	-	6,205
Other profits and losses	15,221	71	(739)	-	14,553
Financial costs	(485)	(80)	(1)	-	(566)
Share of income (loss) of subsidiaries and associates recognized under the equity method	24,367	-	12,932	(25,152)	12,147
Pre-tax profit	280,253	15,019	13,237	(25,152)	283,357
Income tax expense	48,693	3,005	99	-	51,797
Net profit after tax	$ 231,560	$ 12,014	$ 13,138	$ (25,152)	$ 231,560
June 30,2025					
Segment assets	$ 5,281,900	$ 793,686	$ 216,637	$ (5,169)	$ 6,287,054
Investments recognized under the equity method	1,956,031	-	953,987	(1,914,226)	995,792
Total assets	$ 7,237,931	$ 793,686	$ 1,170,624	$ (1,919,395)	$ 7,282,846
Segment liabilities	$ 3,769,250	$ 49,314	$ 770	$ (5,169)	$ 3,814,165

January 1 to June 30, 2024	The Company	CEVC	Others	Adjustment and offset	Merger
Revenue from customers other than the parent company and its subsidiaries	$ 5,170,800	$ 52,777	$ -	$ -	$ 5,223,577
Segment income (losses)	$ 194,221	$ (7,170)	$ 728	$ -	$ 187,779
Interest income	15,433	21,584	3,235	-	40,252
Other income	23,423	388	4	-	23,815

January 1 to June 30, 2024	The Company	CEVC	Others	Adjustment and offset	Merger
Other profits and losses	5,157	182	363	-	5,702
Financial costs	(1,372)	(107)	(2)	-	(1,481)
Share of income (loss) of subsidiaries and associates recognized under the equity method	53,534	-	15,749	(31,906)	37,377
Pre-tax profit	290,396	14,877	20,077	(31,906)	293,444
Income tax expense	49,775	2,767	281	-	52,823
Net profit after tax	$ 240,621	$ 12,110	$ 19,796	$ (31,906)	$ 240,621

June 30, 2024	The Company	CEVC	Others	Adjustment and offset	Merger
Segment assets	$ 4,644,141	$ 884,852	$ 236,222	$ (5,725)	$ 5,759,490
Investments recognized under the equity method	2,046,419	-	1,042,283	(2,091,449)	997,253
Total assets	$ 6,690,560	$ 884,852	$ 1,278,505	$ (2,097,174)	$ 6,756,743
Segment liabilities	$ 3,211,214	$ 69,535	$ 2,373	$ (5,725)	$ 3,277,397

China Ecotek Corporation and Subsidiaries
Marketable securities held at the end of the period
June 30, 2025

Table 1

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities	Relationship with the Company	Financial Statement Account	End of the period				Note
				shares/units	Carrying Value	Percentage of Ownership (%)	Fair value	
The Company	Stock							
	Locus cell co., ltd.	-	Financial assets at fair value through profit or loss - current	195,000	$ 3,329	0.10	$ 3,329	
	WeLeader Biomedical Co., Ltd.	-	Financial assets at fair value through profit or loss - current	126,000	7,686	0.28	7,686	
	TFBS Bioscience, Inc.	-	Financial assets at fair value through profit or loss - current	104,000	1,874	0.30	1,874	
					$ 12,889		$ 12,889	
	Stock							
	Yeong Long Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	440,000	$ 15,151	1.13	$ 15,151	
	Hsin Yu Energy Development Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	391,249	-	0.16	-	
	Green Shepherd Corporation	-	Financial assets at fair value through profit or loss - noncurrent	784,000	10,712	5.37	10,712	
					$ 25,863		$ 25,863	
	Stock							
	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	1,150,000	$ 21,620	0.01	$ 21,620	

China Ecotek Corporation and Subsidiaries
Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital
January 1 to June 30, 2025

Table 2

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchaser/Seller	Related Party	Relationship	Transaction				Abnormal transaction		Receivables (Payables)		Note
			Purchase (sales)	Amount	Percentage of total purchases (sales) (%)	Payment Terms	Unit price	Credit period	Ending balance	As a percentage of total accounts receivable (payable)	
The Company	China Steel Corporation	Parent company	Construction revenue	$ (3,033,952)	(55)	Contract period	Note	Note	$ 336,806	28	
	Dragon Steel Corporation	Fellow subsidiary	Construction revenue	(1,674,313)	(30)	Contract period	Note	Note	670,382	56	

Note: Please refer to Note 31.

China Ecotek Corporation and Subsidiaries
Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital
June 30, 2025

Table 3

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover rate (%)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Dragon Steel Corporation	Fellow subsidiary	$ 670,382	6.97	$ -	-	$ 99,312	$ -
	China Steel Corporation	Parent company	336,806	21.60	-	-	280,858	-

China Ecotek Corporation and Subsidiaries
Information investees
January 1 to June 30, 2025

Table 4 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original investment amount		Shareholding at the end of period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2025	December 31, 2024	Number of Shares	Percentage (%)	Carrying Amount			
The Company	CEC Development Corporation	Samoa	Holding and investment	$ 478,579	$ 478,579	17,000,000	100.00	$ 927,174	$ 11,899	$ 11,899	Subsidiary (Note)
The Company	CEC International Corporation	Samoa	Holding and investment	30,642	30,642	10,000,000	100.00	33,033	321	321	Subsidiary (Note)
The Company	China Steel Machinery Corporation	Kaohsiung City	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	329,174	329,174	35,204,170	26.02	474,510	13,083	3,407	
The Company	Chiun Yu Investment Corporation	Kaohsiung City	General investment	14,233	14,233	1,196,000	40.00	20,962	224	90	
The Company	Chi-Yi Investment Corporation	Kaohsiung City	General investment	8,000	8,000	800,000	40.00	12,315	(3)	(1)	
The Company	Jiing-Cherng-Fa Investment Corporation	Kaohsiung City	General investment	8,050	8,050	805,000	35.00	12,470	523	183	
The Company	Honley Auto. Parts Co., Ltd.	Pingtung County	Automobile Parts Manufacturing	34,000	34,000	2,000,000	1.64	31,676	(47,976)	(1,531)	
The Company	Hung-chuan Investment Corporation	Kaohsiung City	General investment	6,000	6,000	600,000	30.00	9,176	(3)	(1)	
The Company	CSC Solar Corporation	Kaohsiung City	Solar power generation	348,800	348,800	34,880,000	20.00	309,359	65,155	13,031	
The Company	Eminent III Venture Capital Corporation	Taipei City	General investment	100,000	100,000	10,000,000	5.52	61,452	(65,032)	(3,590)	
The Company	Pro-Ascentek Investment Corporation	Kaohsiung City	General investment	60,000	60,000	6,000,000	5.00	63,872	11,177	559	
The Company	China Ecotek India Private Limited	India	Construction and design services	27	27	5,000	0.10	33	348	-	Subsidiary (Note)
CEC Development Corporation	China Ecotek Vietnam Company Limited	Vietnam	Construction and design services	302,065	302,065	-	100.00	744,372	12,014	12,014	Subsidiary (Note)
CEC International Corporation	China Ecotek India Private Limited	India	Construction and design services	27,070	27,070	4,995,000	99.90	32,797	348	349	Subsidiary (Note)

Note: Subsidiary was eliminated from the consolidated financial statements.

China Ecotek Corporation and Subsidiaries
Information on Investments in Mainland China
January 1 to June 30, 2025

Table 5 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in capital	Investment method	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	Percentage of shares held directly or indirectly by the Company (%)	Investment Gain (Loss) (Note1)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025	Note
					Outward	Inward							
Xiamen Ecotek PRC Company Limited	Sales agency for import and export of equipment and materials	$ 175,800	Through investment in an existing company (CEC Development Corporation) in a third region for further investment in the Chinese company	175,800	$ -	$ -	$ 175,800	$ 569	100	$ 569	$ 176,817	$ -	Note 2

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amount Authorized by the Investment Commission, MOEA	The Company's Uapper Limit On Investment In Mainland China (Note 3)
China Ecotek Corporation	$175,800	$175,800	$2,081,209

Note 1: Recognition of investment income (loss) is based on the financial statements reviewed and attested by R.O.C. parent company's CPA.

Note 2: Subsidiary was eliminated from the consolidated financial statements.

Note 3: The limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" by the Investment Commission on August 29, 2008, investments shall not exceed 60% of its net worth.